鞍 鋼 股 份 有 限 公 司

ANGANG STEEL COMPANY LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 00347

2025
ANNUAL REPORT

* *For identification purposes only*

Contents

Corporate Profile

The Board, the Directors and the senior management of the Company guarantee the truthfulness, accuracy, and completeness of the contents of this report, and that there is no false representation or misleading statement contained in, or material omission from this report, and severally and jointly undertake the legal liability for it.

Mr. Wang Jun, the Company's Chairman and the person in charge, Mr. Li Jingdong, Chief Accountant and Ms. Ma Li, the person in charge of the accounting institution, guarantee the truthfulness, accuracy and completeness of the financial report in this report.

Corporate Profile

The Company is a joint stock limited company established on 8 May 1997 with Angang Holding as its sole promoter. Pursuant to the reorganisation, subsidiaries of the promoter, namely the Cold Roll Plant, Wire Rod Plant and Heavy Plate Plant were transferred to the Company, with a net asset value of RMB2,028,817,600 as determined by the State-owned Assets Administration Bureau, and 1,319,000,000 domestic stateowned legal person shares with a par value of RMB1 each were issued to Angang Holding.

On 22 July 1997, the Company issued 890,000,000 H Shares at HKD1.63 per share which were listed and traded on the Hong Kong Stock Exchange on 24 July 1997. The Company subsequently issued 300,000,000 domestic A Shares at RMB3.90 per share on 16 November 1997, of which 285,505,400 shares were offered to the public and 14,494,600 employees' shares were placed to the employees of the Company. The 285,505,400 shares issued in the domestic public offering commenced trading on 25 December 1997 on Shenzhen Stock Exchange. The 14,494,600 employees' shares placed to the employees of the Company commenced trading on Shenzhen Stock Exchange on 26 June 1998.

On 15 March 2000, the Company issued A Share convertible debentures amounting to RMB1.5 billion in the PRC. On 14 March 2005, the Company paid the principal and interest accrued for the A Share convertible debentures upon their maturity, and conversion of shares and delisting itself ended on the same day. As of the date of maturity, a total of 453,985,697 A Shares were converted from the convertible debentures of the Company.

On 26 January 2006, the Company newly issued 2,970,000,000 A Shares at RMB4.29 per share to Angang Holding as partial payment of the consideration for the acquisition of 100% equity interests of ANSI. The registration for custody of such shares at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited was completed on 23 February 2006 and they were not traded or transferred within 36 months starting from 23 February 2006. The total number of shares of the Company was 5,932,985,697 after the issue of new shares.

Corporate Profile (Continued)

On 20 June 2006, it was approved by the annual general meeting of the Company for the year 2005 that the Chinese name of the Company was changed from「鞍鋼新軋鋼股份有限公司」to「鞍鋼股份有限公司」, while the Chinese short name was changed to「鞍鋼股份」from「鞍鋼新軋」, and the English name was changed from "Angang New Steel Company Limited" to "Angang Steel Company Limited", while the English short name was changed to "Ansteel" from "Angang New Steel". On 29 September 2006, the Company obtained its new "Business License for Enterprise Legal Person" reflecting such change.

In December 2005, the Company implemented the non-tradable shares reform, pursuant to which, Angang Holding, the holder of the non-tradable shares of the Company, offered 2.5 A Shares and 1.5「鞍鋼JTC1」share warrants for every 10 shares held by the registered holders of tradable A Shares on the record date for the non-tradable shares reform, and Angang Holding offered a total of 188,496,424 A Shares and 113,097,855「鞍鋼JTC1」share warrants to other holders of A Shares. The「鞍鋼JTC1」share warrants expired in December 2006. A total of 110,601,666 share warrants were successfully exercised, as a result of which Angang Holding transferred 110,601,666 shares to the other holders of A Shares at RMB3.386 per share. The「鞍鋼JTC1」share warrants which were not exercised on the date of expiry were cancelled thereafter. After the exercise of such warrants, the total number of shares of the Company remained unchanged, comprising 3,989,901,910 A Shares held by Angang Holding, 1,053,083,787 A Shares held by other A shareholders and 890,000,000 H Shares held by H Shareholders.

In 2007, the Company issued rights shares on the basis of 2.2 rights shares for every 10 existing shares to all the shareholders of the Company. From 10 October to 16 October 2007, the Company issued 1,106,022,150 A rights shares to A shareholders of the Company at the price of RMB15.4 per share, including issuance of 228,240,496 shares to holders of shares not subject to trading moratorium and issuance of 877,781,654 shares to holders of shares subject to trading moratorium. Such newly issued domestic rights shares were approved to be listed on the Shenzhen Stock Exchange on 25 October 2007. From 22 October to 5 November 2007, the Company issued 195,800,000 H rights shares to H shareholders of the Company at a price of HK$15.91 per share (equivalent to RMB15.4 per share according to the then exchange rate). Such newly issued H rights shares were approved to be listed on the Hong Kong Stock Exchange on 14 November 2007. Upon completion of the rights share issue, the total number of shares of the Company amounted to 7,234,807,847 shares, of which 4,867,680,330 A shares were held by Angang Holding, 1,281,327,517 shares were held by other A shareholders and 1,085,800,000 shares were held by H Shareholders.

The Company issued HK$1.85 billion of zero coupon H share convertible bonds on the Hong Kong Stock Exchange on 25 May 2018. The convertible bonds were listed and dealt with on the Hong Kong Stock Exchange on 28 May 2018, and matured on 25 May 2023.

Corporate Profile (Continued)

In June 2019, the Company issued shares to all shareholders by way of conversion of capital reserve into share capital on the basis of three (3) capitalisation shares for every ten (10) existing shares, and the share capital capitalised is 2,170,442,354 shares in aggregate. Upon capitalisation, the Company's total shares is 9,405,250,201 shares, among others, 7,993,710,201 A Shares and 1,411,540,000 H Shares.

In December 2020, the Company repurchased 52,450,023 tradable A Shares, which were to be used for the implementation of the 2020 Restricted Share Incentive Scheme of Angang Steel Company Limited (Draft) (hereinafter referred to as the "Stock Incentive Plan"). In 2021 and 2022, the Company implemented the first grant and reserved grant under the Stock Incentive Plan respectively, with a total of 52,041,400 restricted A shares granted. During the period from 2022 to 2025, the Company repurchased and canceled 35,620,320 restricted A shares granted but not yet released from restricted sale held by incentive recipients under the Share Incentive Scheme. The Company completed the cancellation of the remaining 408,623 treasury shares in the Company's special securities account for repurchase. Upon completion of the cancellation, the total shares of the Company was reduced to 9,369,221,258 shares, including 7,957,681,258 A shares and 1,411,540,000 H shares.

I. CORPORATE INFORMATION

Stock Exchange	Shenzhen Stock Exchange		
Stock Abbreviation	Angang Steel	Stock Code	(A Share) 000898
Stock Exchange	Hong Kong Stock Exchange		
Stock Abbreviation	Angang Steel	Stock Code	(H Share) 00347
Chinese Name of the Company	鞍钢股份有限公司		
Chinese Name Abbreviation	鞍钢股份		
English Name of the Company	Angang Steel Company Limited		
English Name Abbreviation	ANSTEEL		
Legal Representative of the Company	Wang Jun		
Registered Address	Production Area of Angang Steel, Tie Xi District, Anshan City, Liaoning Province, the PRC		
Postal Code of the Registered Address	114021		
Historical Change of Registered Address of the Company	First Registered Address in May 1997: No. 396 Zhonghua Road, Tiedong District, Anshan City, Liaoning Province, the PRC Change of registered address in September 2006: Production Area of Angang Steel, Tie Xi District, Anshan City, Liaoning Province, the PRC		
Business Address	Production Area of Angang Steel, Tie Xi District, Anshan City, Liaoning Province, the PRC		
Postal Code of the Business Address	114021		
Website of the Company	http://www.ansteel.com.cn		
E-mail	ansteel@ansteel.com.cn		

II. CONTACT PERSONS AND CONTACT METHODS

	Company Secretary	Securities Affairs Representative
Name	Li Jingdong	Zhang Junfeng
Address	Production Area of Angang Steel, Tie Xi District, Anshan City, Liaoning Province, the PRC	Production Area of Angang Steel, Tie Xi District, Anshan City, Liaoning Province, the PRC
Telephone	0412-6736889	0412-8417273 0412-6751100
Fax	0412-6722093	0412-6727772
E-mail	lijingdong69@ansteel.com.cn	zhangjunfeng@ansteel.com.cn

III. INFORMATION DISCLOSURE AND PLACES FOR INSPECTION

Website of the stock exchange where the Company discloses its annual report in the PRC	http://www.szse.cn
Website and name of media where the Company discloses its annual report in the PRC	(CNINFO) http://www.cninfo.com.cn
Website for Disclosure of the Company's Information Overseas	http://www.hkexnews.hk and http://angang.wspr.com.hk
Company's Annual Report Available for Inspection at	Secretarial Office of the Board of the Company

Summary of Accounting Figures and Financial Indicators

I. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS

Whether the Group needs to retrospectively adjust or restate accounting data for previous years

☑ Yes ☐ No

Reasons for retrospective adjustment: Change of accounting policy

Unit: RMB million

Item	2025	2024	Changes over the preceding year *(%)*	2023 Before adjustment	2023 After adjustment
Operating income	**96,052**	105,101	-8.61	113,502	115,571
Operating profit	**-3,897**	-6,953	43.95	-4,149	-4,135
Total profit	**-3,894**	-7,035	44.65	-4,142	-4,129
Net profit attributable to shareholders of the Company	**-4,068**	-7,122	42.88	-3,257	-3,255
Net profit attributable to shareholders of the Company after extraordinary items	**-4,218**	-7,202	41.43	-3,315	-3,315
Net cash flows from operating activities	**1,788**	-787	327.19	1,579	1,637
Basic earnings per share *(RMB/share)*	**-0.434**	-0.759	42.82	-0.347	-0.347
Diluted earnings per share *(RMB/share)*	**-0.434**	-0.759	42.82	-0.347	-0.347
Weighted average return on net assets *(%)*	**-8.90**	-13.91	Increased by 5.01 percentage points	-5.78	-5.77

I. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS (Continued)

Item	At the end of 2025	At the end of 2024	Changes over the preceding year (%)	At the end of 2023 Before adjustment	At the end of 2023 After adjustment
Total assets	**96,047**	100,578	-4.50	97,014	97,506
Total liabilities	**51,065**	51,907	-1.62	41,623	41,901
Owner's equity attributable to shareholders of the Company	**43,880**	47,679	-7.97	54,704	54,761
Gearing ratio *(%)*	**53.17**	51.61	Increased by 1.56 percentage points	42.90	42.97
Total share capital	**9,369**	9,383	-0.15	9,384	9,384

Notes: In 2024, Angang Green Gold Industry Development Co., Ltd., a subsidiary of the Company, completed the business combination under common control of Angang Scrap Steel Resources (Anshan) Co., Ltd. The financial data of 2023 were adjusted retrospectively.

In recent three fiscal years of the Group, the lower of net profit before or after deducting non-recurring gain or loss was negative. Moreover, the auditor's report for recent one year suggests that the Group's ability to continue as a going concern is plagued by uncertainties

☐ Yes ☑ No

In the Reporting Period, the lower of the audited total profit, net profit and net profit after deducting non-recurring gains and losses of the Group was negative

☑ Yes ☐ No

I. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS (Continued)

Unit: RMB million

Item	2025	2024	Notes
Operating income	**96,052**	105,101	
Amount deducted from operating income	**368**	1,626	Other operating income arising from material sales and sales of waste and used materials, as well as the income of Angang Scrap Steel Resources (Anshan) Co., Ltd. from the beginning of the period to the combination date arising from the business combination under common control
Amount of operating income after deduction	**95,684**	103,475	

II. MAJOR FINANCIAL INDICATORS BY QUARTER

Unit: RMB million

Item	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operating income	25,079	23,520	24,493	22,960
Net profit attributable to shareholders of the Company	-554	-590	-896	-2,028
Net profit attributable to shareholders of the Company after extraordinary items	-587	-644	-938	-2,049
Net cash flows from operating activities	381	24	1,563	-180

Whether there is substantial difference between the aforesaid financial indicators or their sum and those disclosed in the quarterly report and interim report

☐ Yes ☑ No

III. ITEMS OF NON-RECURRING GAINS AND LOSSES AND EFFECT ON PROFIT

Unit: RMB million

Items of Non-Recurring Gain or Losses	2025	2024	2023
1. Gains/losses from disposal and write-off of non-current assets	**1**	7	-22
2. Government grants included in profit or loss for the current period (except those closely related to the normal operation of the Company, in compliance with the national policy and by certain standards, which impose continuous impacts on the Company's profit or loss)	**188**	113	60
3. Changes in fair value of trading financial assets	**5**	-2	–
4. Changes in fair value of other non-current financial assets	**38**	-3	6
5. Changes in fair value of exchange rate swap contracts for other non-current liabilities – the part of embedded derivative financial instrument and derivative financial liabilities – as well as gains and losses from relevant disposal	**–**	–	-37
6. Reversal of the allowance for impairment of receivables that is individually tested for impairment	**1**	15	19
7. Net profit and loss of subsidiaries arising from business combination under common control from the initial period to the day of combination	**–**	3	–
8. Net profit or loss of the subsidiary under common control in the previous period arising from the business combination	**–**	–	10
9. Gain/Loss from debt restructuring	**–**	–	30
10. Other non-operating revenue and expenses except those mentioned above	**16**	-1	22
Subtotal	**249**	132	88
Less: Effect on income tax	**49**	26	20
Effect on minority interest (after tax)	**50**	26	8
Total	**150**	80	60

III. ITEMS OF NON-RECURRING GAINS AND LOSSES AND EFFECT ON PROFIT (Continued)

Details of other profit and loss items in line with the definition of non-recurring gains and losses:

☐ Applicable ☑ Not applicable

There are no other profit and loss items in line with the definition of non-recurring gains and losses in the Group.

Note to defining the non-recurring gain and loss items listed in the Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1 – Extraordinary Gains and Losses as recurring profit and loss items:

☐ Applicable ☑ Not applicable

The Group involves no circumstances where the non-recurring gains and losses listed in the Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No. 1 – Extraordinary Gains and Losses are defined as recurring gains and losses.

Chairman's Statement

On behalf of the Board of Angang Steel, I am pleased to present the annual report of the Company for the year ended 31 December 2025 and hereby extend my regards to all shareholders.

OPERATING RESULTS FOR 2025:

According to the PRC Accounting Standard for Business Enterprise ("**PRC ASBE**"), for the year ended 31 December 2025, the Group recorded a net profit attributable to the shareholders of the Company of RMB-4,068 million, with basic earnings per share of RMB-0.434. For the year ended 31 December 2024, the Group recorded a net profit attributable to the shareholders of the Company of RMB-7,122 million, with basic earnings per share of RMB-0.759.

PROFIT DISTRIBUTION:

After audit confirmation by BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership), in accordance with the PRC ASBE, the Group achieved a net profit attributable to shareholders of the listed company of RMB-4,068 million in 2025. In accordance with the Company's Articles of Association, the Board has comprehensively considered the Company's development and capital needs. To better safeguard the Company's sustainable development and the long-term interests of all shareholders, it is proposed that no cash dividends, bonus shares, or capital reserve capitalization be distributed for the 2025 fiscal year. This proposal is subject to review and approval at the 2025 Annual Shareholders' Meeting.

BUSINESS REVIEW:

I. The Main Business of the Company during the Reporting Period

(I) The Company's main business, main products and their uses, business model, and main performance drivers during the Reporting Period

The Group is mainly engaged in the iron and steel manufacturing industry, and at the same time focuses on developing emerging industries related to its core iron and steel business, including steel processing and distribution, the chemical industry, green energy and resource recycling and utilization. It has three major production bases in Anshan, Yingkou and Chaoyang, as well as processing, distribution or sales service agencies in Dalian, Shenyang, Changchun, Tianjin, Shanghai, Wuhan, Hefei, Zhengzhou and Guangzhou. It also relies on Angang Group's overseas sales agencies to carry out international operations. A management model of "coordination and collaboration among bases and concentration and consistency within bases" is adopted to form a multi-base development pattern with complementary advantages and efficient collaboration. The product structure is diversified, with a relatively complete product series including hot-rolled coils, medium and thick plates, cold-rolled plates, galvanized plates, color-coated plates, cold-rolled silicon steel, heavy rails, profiles, seamless steel pipes, wire rods, etc. The products are widely used in machinery, metallurgy, petroleum, chemical industry, coal, electric power, railways, ships, automobiles, construction, home appliances, aviation and other industries. The Company's brand enjoys high visibility and credibility, and has a portfolio of flagship premium steel products for various sectors including automotive, shipbuilding and offshore engineering, railway, home appliance, container, energy, bridge, high-end metal products as well as tool and die manufacturing.

BUSINESS REVIEW: (Continued)

I. The Main Business of the Company during the Reporting Period (Continued)

(I) The Company's main business, main products and their uses, business model, and main performance drivers during the Reporting Period (Continued)

The Company focuses on promoting the development of strategic emerging industries. Relying on the core iron and steel business, we focus on leading breakthroughs in advanced new steel materials, and prioritize the development of premium advanced steel products including new high-strength plastic automotive steel, steel for high-tech ships and marine engineering, energy steel, steel for advanced rail transit, steel for energy oil and gas drilling, collection and storage, steel for basic components of advanced manufacturing, steel for petrochemical pressure vessels and bridge steel. Meanwhile, we will fully leverage the advantages of the iron and steel industrial chain, actively develop industries such as new carbon materials, new energy and resource recycling and utilization, continuously raise the contribution ratio of strategic emerging industries, and underpin the high-quality development of strategic emerging industries of Angang Group.

(II) Highlighted Work During the Reporting Period

In 2025, the Company fully implemented the work deployment of "Focusing on Five Key Areas to Drive Four New Improvements". The Company has united and led all cadres and employees to strive persistently amid challenges. Its operating performance improved year-on-year. The net profit attributable to shareholders of the Company reduced losses by RMB3.054 billion year-on-year, and sound progress was made in the development of the "Five-Type" enterprise. Annual production volumes of iron, crude steel, and steel products reached 24.0957 million tons, 25.1456 million tons, and 23.7183 million tons respectively, representing decreases of 0.85%, 1.17%, and 1.07% year-on-year. Steel product sales amounted to 23.8432 million tons, a 0.45% decrease year-on-year, achieving a production-to-sales ratio of 100.53%.

BUSINESS REVIEW: (Continued)

I. The Main Business of the Company during the Reporting Period (Continued)

(II) Highlighted Work During the Reporting Period (Continued)

1. Deepening the development of "vitalized" enterprises, with sustained unleashing of endogenous momentum.

   First, the organizational structure has been further optimized. We promoted the development of a highly efficient and collaborative "self-driven" headquarters, broke the bureaucratic hierarchy within departments, streamlined management levels, shortened the management chain, optimized business processes, and established personnel mobility and incentive mechanisms, resulting in a significant improvement in management efficiency. We promoted the Chaoyang Steel Reform 3.0, establishing an operational model of "direct company supervision over operating units," shifting the management focus downward to achieve "lean efficiency and agile responsiveness." Second, integration efforts have yielded remarkable results. We established a centralized procurement center to strengthen centralized material procurement and supplier management. The procurement prices of PCI coal and imported fine ore consistently outperformed the market average, while material consumption per ton of steel decreased by 9.67% year-on-year. Also, we formed a product development center to precisely define product development directions, tap into market potential and customer-specific demands, and comprehensively enhance product innovation, influence, and competitiveness. Sales of high-end products saw a significant year-on-year increase. Third, performance incentives were precise and effective. Built a "2+3+1" performance evaluation system centered on "dynamic + static" dual-dimensional assessments, supported by specialized incentives such as "star production lines + collaborative breakthroughs + challenge-based initiatives," and driven by the segmentation of accounting units. This "quick calculation, quick decision, quick execution" mechanism reform drove dual improvements in value creation and profitability.

BUSINESS REVIEW: (Continued)

I. The Main Business of the Company during the Reporting Period (Continued)

(II) Highlighted Work During the Reporting Period (Continued)

2. Deepening the Development of "Innovative" Enterprises, with Core Momentum Increasingly Strengthened.

First, remarkable achievements have been made in technological research and development. We actively advanced 32 original technology source research projects and achieved breakthroughs in 7 new technologies. Five products, including high-thickness steel for locomotives in extremely cold regions and high-strength spherical tank steel for deep-sea containers, were launched globally for the first time. Four projects were awarded the Metallurgical Science and Technology Prize, eight projects received the Liaoning Provincial Science and Technology Progress Award, and three projects were honored with the China Corrosion and Protection Society Science and Technology Award. Second, technological support was precise and robust. Efforts were made to advance the initiative of "optimizing design across all product categories and improving yield and recovery rates." Quality designs were refined for 93 product varieties spanning eight major categories, including hot-rolled steel, medium-thick plates, and silicon steel. The billet recovery rate and comprehensive finished product yield of steel increased by 0.5 percentage points and 0.22 percentage points year-on-year, respectively. A total of 68 projects including quality improvement and cost reduction for major products were implemented, resolving multiple production bottlenecks and significantly reducing the per-ton steel cost of key products. Third, new breakthroughs were achieved in scientific and technological innovation platforms and major science and technology projects. The Pilot Test Platform for Transportation and Energy Steel Materials became one of the first key cultivated pilot test platforms of the Ministry of Industry and Information Technology. The Company led 3 national major science and technology projects, and the full-process process of the pilot test line for hydrogen metallurgy based on green power and green hydrogen in a fluidized bed was successfully connected. Fourth, digital and intelligent empowerment accelerated upgrades. We accelerated intelligent upgrades of key processes, completing the transformation of 25 intelligent production lines cumulatively, with digitalization projects such as continuous casting in steelmaking and unmanned crane operations achieving design capacity and efficiency; the Decision Support System 2.0 underwent comprehensive upgrades, and the system's approval processes were streamlined and optimized, improving decision-making efficiency by over 20%. The "Anyun Zhiding (鞍雲智鼎)" AI large model platform commenced operations, with 48 digital employees including "Zhijixing" deployed, 17 AI application scenarios implemented effectively, achieving a 42.6% AI adoption rate across core production lines, significantly enhancing human-machine collaboration efficiency. Digitalization and intelligentization have become new hallmarks of corporate development.

BUSINESS REVIEW: (Continued)

I. The Main Business of the Company during the Reporting Period (Continued)

(II) Highlighted Work During the Reporting Period (Continued)

3. Deepening the development of a "brand-oriented" enterprise, with competitive advantages continuously emerging.

First, the industrial brands underwent quality enhancement and upgrading. The silicon steel project for new energy vehicles was successfully put into production. Energy Technology takes a leading position in the low-temperature liquid market in Liaoning Province, with a continuous increase in market share. The Lvxinding Panzhihua tar processing project was completed. Second, product brands were refined and strengthened. The Company implemented a product premiumization strategy, accelerated the structural layout of high-end products, deeply explored the potential demand in the high-end product market, expanded sales channels for premium products, and strengthened the R&D of high-price, high-margin premium products and new products. The sales proportion of "6+N" high-end products increased by 3.2% year-on-year. Medium and heavy plate products were awarded the "State-Owned Enterprise Premium Medium and Heavy Plate Brand." Thirdly, the service brand garnered acclaim. We actively conducted customer visits, organized various customer cooperation exchange meetings, gained in-depth insights into market demands, and established dedicated "three-dimensional integrated" service teams to further expand service advantages and collaborative value. We made every effort to enhance overall contract delivery efficiency and customer delivery experience, with the contract execution rate across the entire lifecycle improving by 4.32 percentage points year-on-year. With superior service and product quality, the Company has earned accolades such as "Excellent Supplier" from leading enterprises such as CIMC Containers and Haier Smart Home, continuously enhancing customer satisfaction and brand reputation.

BUSINESS REVIEW: (Continued)

I. The Main Business of the Company during the Reporting Period (Continued)

(II) Highlighted Work During the Reporting Period (Continued)

4. Deepening the development of an "operation-oriented" enterprise, effectively improving efficiency and profitability.

   First, resource allocation has become more precise and efficient. Adhering to a profit-centric approach, the Company optimized production line resources and adjusted regional distribution flows, achieving a 6.5% year-on-year increase in product mix adjustment index. Sales volume in the Northeast region rose by 1.9% year-on-year, while export shipment volume grew by 6.3% year-on-year. Second, systematic cost reduction has yielded outstanding results. We strengthened end-to-end cost reduction and potential tapping, integrated accounting-based operation throughout the entire process and all areas, and achieved a cost reduction of RMB90 per ton of steel. We optimized logistics management, resulting in a significant drop in logistics costs; among others, the logistics cost at the Anshan base decreased by 9.5% year-on-year. We strengthened energy management and control, with the proportion of self-generated power increasing by 12.3 percentage points year-on-year and the purchased energy cost per ton of steel decreasing by 14% year-on-year. Third, production efficiency improved substantially. We enhanced process coordination and interface efficiency, and the turnover rate of hot metal ladles and the hot charging rate of steel billets rose steadily. We enhanced production and efficiency of profitable production lines, with seven lines setting new monthly production records.

BUSINESS REVIEW: (Continued)

I. The Main Business of the Company during the Reporting Period (Continued)

(II) Highlighted Work During the Reporting Period (Continued)

5. Deepening the development of "exemplary" enterprises to consolidate synergy and demonstrate responsibility.

   First, remarkable achievements were made in green and low-carbon development. The Anshan Base successfully passed the public notice of full-process ultra-low emissions. Chaoyang Steel was awarded as an Environmentally Friendly Enterprise for Clean Production in China's Iron and Steel Industry and successfully upgraded to an A-level enterprise in environmental performance. The Anshan Base and Chaoyang Steel both successfully passed the public notice as Dual-Carbon Best Practice Energy Efficiency Benchmark Demonstration Processes/Equipment. Second, employee vitality has been continuously stimulated. The Company organized 96 annual employee skills competitions and specialized labor contests, with 69 achievements winning awards at the 11th International Invention Exhibition. One individual was honored with the title of "National Model Worker," and one received the "New Era Youth Pioneer Award." We strengthened the development of employee innovation studios, with innovation studios at various levels undertaking 389 key research projects. Three were recognized as National Demonstration Innovation Studios in the Machinery, Metallurgy, and Building Materials Industry, three as Liaoning Province Model Worker Innovation Studios, and two as Anshan City Model Worker Innovation Studios. Third, continuous improvement in people's livelihood and well-being. The Company focused on the needs of frontline employees, precisely completed 27 company-level key livelihood projects, and renovated 297 operational and rest areas, ensuring that development outcomes better benefit employees. We demonstrated care for employee health by consistently providing corporate relief liability insurance for all employees.

BUSINESS REVIEW: (Continued)

II. Industry Situation of the Company During the Reporting Period

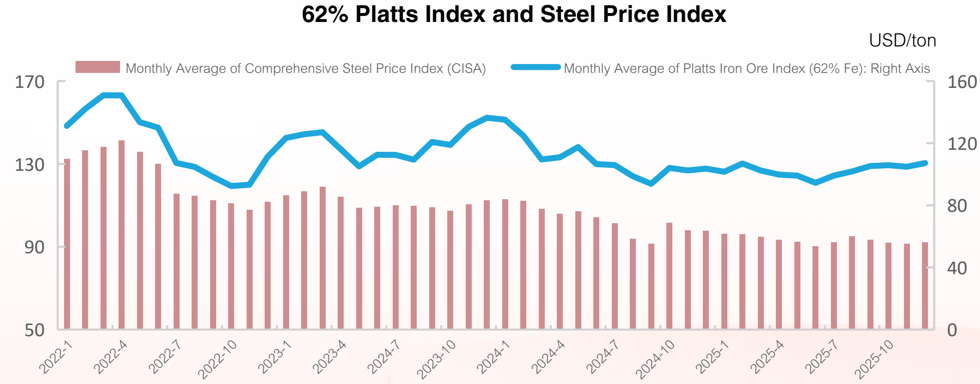
(I) Basic Situation, Development Stage and Cyclical Characteristics of the Industry

In 2025, amid multiple environments including weak demand, fluctuating raw material prices, and deepened industry regulation, China's iron and steel industry adhered to the principles of controlling total volume, optimizing supply, strengthening fundamentals, and promoting transformation, maintaining stable operation.

From the perspective of supply and demand, the pattern of strong supply and weak demand persisted. According to data from the National Bureau of Statistics, in 2025, the national crude steel output reached 961 million tons, a year-on-year decrease of 4.4%; pig iron output was 836 million tons, a year-on-year decrease of 3.0%; steel product output was 1.446 billion tons, a year-on-year increase of 3.1%; the apparent consumption of crude steel (converted) was 829 million tons, a year-on-year decrease of 7.1%, indicating that the supply-demand contradiction remained prominent. From the perspective of procurement and sales, steel prices generally declined while international ore prices fluctuated at a high level. In 2025, the average China Steel Price Index (CSPI) was 93.19 points, a year-on-year decrease of 9.28%; the average international Steel Price Index (CRU) was 189.5 points, a year-on-year decrease of 4.08%; the average Platts Iron Ore Index (62% Fe) was 102.37 US dollars per ton, a year-on-year decrease of 6.46%. The decline in steel prices was greater than that of ore prices, and the Platts Iron Ore Index operated at a high level for a long time, making the industry's easing outlook still not optimistic.

In 2025, the green and low-carbon transformation of China's iron and steel industry accelerated, with the coverage of ultra-low emission transformation continuously expanding and iron and steel enterprises increasing relevant investments. On the one hand, this further consolidated the foundation for high-quality development; on the other hand, the industry still faced challenges such as weak demand, intensified competition, and arduous transformation tasks.

62% Platts Index and Steel Price Index



Source: China Iron and Steel Association (CISA) and Platts Reports

BUSINESS REVIEW: (Continued)

II. Industry Situation of the Company During the Reporting Period (Continued)

(II) Significant Impacts of Newly Issued Laws, Administrative Regulations, Departmental Rules and Industry Policies on the Industry

In 2025, the state intensively issued a number of policies for the iron and steel industry, guiding the high-quality development of the industry in an all-round way. On January 24, the Ministry of Industry and Information Technology issued the *Standards for the Iron and Steel Industry (2025 Edition)*, establishing a two-level evaluation system to promote the survival of the fittest and the improvement of industry concentration. On March 26, the Ministry of Ecological Environment issued the *Work Plan for Including the Iron and Steel, Cement, and Aluminum Smelting Industries in the National Carbon Emissions Trading Market*, formally incorporating the iron and steel industry into the national carbon emissions trading market. On June 26, MIIT promoted industrial green and low-carbon standardization, accelerated the development of standards such as carbon footprint and comprehensive resource utilization, and supported the coordinated upgrading of green development and digitalization. On August 25, the General Office of the Communist Party of China Central Committee and the General Office of the State Council issued the *Opinions on Promoting Green and Low-Carbon Transformation and Strengthening the Construction of the National Carbon Market*, strengthening carbon constraints and market-oriented emission reduction mechanisms. On September 22, five ministries and commissions including MIIT jointly issued the *Work Plan for Stabilizing Growth in the Iron and Steel Industry (2025–2026)*, aiming to promote quality improvement, efficiency enhancement and structural optimization of the industry by stabilizing expectations, adjusting supply and demand, and preventing disorderly competition. On October 24, MIIT issued the *Measures for Capacity Replacement in the Iron and Steel Industry (Draft for Comments)*, accelerating the reduction, quality improvement, structural optimization and transformation and upgrading of existing capacity. On December 12, the Ministry of Commerce and the General Administration of Customs issued an announcement, implementing export license management for some iron and steel products starting from January 1, 2026, strengthening export compliance control and tightening the industry's export supervision. Overall, the series of policies in 2025, which focus on controlling capacity, curbing internal vicious competition, emphasizing green development and optimizing exports, will push the iron and steel industry to accelerate its transformation towards centralization, greenization and high-endization.

DEVELOPMENT PLAN FOR THE NEW YEAR:

1. Industry Landscape and Trends

In 2026, the external environment remains complex and challenging. The domestic steel market continues to face prominent issues of strong supply and weak demand as well as supply-demand imbalance. Nevertheless, the fundamentals of China's economy, which feature long-term positive growth, remain unchanged. The country adheres to the general principle of seeking progress while maintaining stability, adopts proactive macro policies to expand domestic demand, optimize supply, foster new-quality productive forces, and build a unified national market, so as to pursue both higher quality and better efficiency in economic development.

The steel industry has now entered a new normal of development with volume reduction and structural restructuring, with coordinated efforts focused on "controlling total output, optimizing supply, promoting stability, enhancing profitability, and advancing transformation." The industry will focus on three major initiatives: quality and product enhancement, energy and carbon efficiency improvement, and digital and intelligent transformation. It will continue to deepen capacity governance and corporate consolidation, implement two key plans for iron resource development and steel application expansion, accelerate the pace of green and low-carbon development, intelligent and efficient operations, and structural optimization, and strive to enhance the resilience of the industrial chain and core competitiveness. These efforts will lay a solid foundation for the high-quality transformation of the steel industry, ensuring a steady start to the "15th Five-Year Plan."

2. Development Strategy

Guided by the mission of "producing superior materials and creating a better life," the Company will adhere to serving national strategies and value creation during the "15th Five-Year Plan" period. It will focus on its core responsibilities and businesses, further advance comprehensive reforms, and implement the "1345" development strategy. This strategy entails anchoring "one positioning," steadfastly pursuing "three directions," leveraging "four roles," and building a "Five-Type" enterprise, continuously strengthening core functions and enhancing core competitiveness to accelerate the creation of a world-class steel enterprise.

DEVELOPMENT PLAN FOR THE NEW YEAR: (Continued)

3. Business Guidelines for 2026

In 2026, the Company will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly study and implement the spirit of the 20th National Congress of the Communist Party of China, the Second, Third, and Fourth Plenary Sessions of the 20th Central Committee, and the Central Economic Work Conference. It will earnestly implement the important speeches and directives of General Secretary Xi Jinping, fully carry out the work deployment of "focusing efforts on five key areas to achieve breakthroughs and driving strategic, managerial, and Party-building initiatives for a new beginning," and concentrate on the "five enhancements and five new initiatives" to comprehensively elevate the Company's core competitiveness.

(1) Focusing on reform and efficiency enhancement to invigorate new momentum for building a "vibrant" enterprise with greater intensity.

First, further optimize corporate governance. Implement the Two Consistencies, improve the modern enterprise system, deepen the "Lean and Strong" reform of headquarters, promote organizational flattening, digital management and lean processes, improve the investment supervision and risk prevention system, build an excellent ESG system, and continuously enhance modern governance and sustainable development capabilities. Second, deepen the reform of the operating mechanism. Implement the state-owned enterprise reform arrangements, build a reform model, deepen the reform of the new operating responsibility system and market-oriented operating mechanism, establish cross-departmental and cross-unit virtual operating entities, and continuously enhance the internal vitality, innovation impetus, efficiency and effectiveness of the Company. Third, further promote integration and consolidation. Carry out specialized integration and consolidated collaborative management, redirect resources to competitive enterprises, high-quality assets and core businesses, form stronger synergy, higher economies of scale and a better industrial ecosystem, and foster strategic emerging industries and new-quality productive forces. Fourth, continuously refine performance evaluation. Establish differentiated, long-cycle assessment systems, rigidly linking compensation to performance, deepening micro-accounting units and instant incentives, optimizing workforce mobility and allocation, and advancing the "unveiling the list and assuming command" mechanism to unleash innovation and efficiency across the organization, thereby comprehensively enhancing the enterprise's core competitiveness and developmental momentum.

DEVELOPMENT PLAN FOR THE NEW YEAR: (Continued)

3. Business Guidelines for 2026 (Continued)

(2) Accelerating Technological Advancement with Greater Commitment to Forge a New Engine for Building an "Innovative" Enterprise.

First, enhancing the capability in original technology supply. Focus on national major projects and defense security, tackling key "bottleneck" steel products, expanding the application of high-end materials, and consolidating the industry's leading position. Second, improving the ability to transform and apply achievements. Refine the conversion mechanism, strengthening pilot platforms, advancing the integration of "R&D-production-application," intensifying high-value patent layouts, and accelerating technology industrialization. Third, strengthening the capacity to shape an innovation ecosystem. Deepen industry-university-research collaboration and open innovation, improving talent cultivation and the construction of innovation consortia, implementing enterprise echelon cultivation, and invigorating the vitality of innovation entities. Fourth, elevating digital and intelligent empowerment capabilities. Execute the "1232" digital transformation strategy, promoting smart factories and intelligent operations, launching "AI+" initiatives, reinforcing data governance and security, and driving efficiency transformation and value creation through digitalization and intelligence to comprehensively enhance the enterprise's innovation engine and core competitiveness.

(3) Focusing on industrial upgrading to forge a new image as a "brand-oriented" enterprise with superior quality.

First, advancing high-end industrial transformation. The Company will focus on high efficiency, intensification and smart transformation to accelerate the renovation and upgrading of key production lines; foster emerging industrial platforms such as industrial gases and clean energy; adhere to green and low-carbon development, innovate low-carbon metallurgical processes, and advance the construction of ultimate energy efficiency, so that its overall performance will reach the first echelon of the industry. Second, driving excellence in product development by optimizing the product mix and increasing the proportion of high-end products, aiming to establish market-leading "single champion" products. Quality management and cost control will be strengthened to enhance product cost-performance ratios and overall profitability. Third, achieving value-added service improvements through IPD projects to build a closed-loop value chain. The digital service system will be refined, expanding value-added channels such as e-commerce and supply chain finance. An efficient, collaborative supply chain and rapid delivery channels will be established to boost customer satisfaction and loyalty, thereby reinforcing core market competitiveness.

DEVELOPMENT PLAN FOR THE NEW YEAR: (Continued)

3. Business Guidelines for 2026 (Continued)

(4) Concentrating on quality and efficiency gains to solidify new achievements in building an "operation-oriented" enterprise with more pragmatic measures.

First, strengthening the value chain by centering on profitability, enhancing the alignment of production line efficiency rankings with "sales, R&D, production, and finance," deepening value creation from premium products, continuously expanding overseas markets, and improving product premium and export profitability capabilities. Second, refining the cost chain by advancing lean management, focusing on breakthroughs in molten iron costs, optimizing procurement supply chains and supplier structures, strictly controlling expenses, and deepening cost reduction and efficiency improvement. Third, optimizing the operational chain by comprehensively improving eight key efficiencies–production lines, material consumption, energy, logistics, capital, assets, personnel, and investments–to drive intensive and efficient production alongside extreme cost control. Fourth, solidifying the management chain by strengthening legal compliance and risk prevention, rigorously enforcing safety production and environmental management, and safeguarding high-quality development.

(5) Focusing on service excellence to establish new benchmarks in building a "model" enterprise from a higher perspective.

First, strengthening the role of employees as the main force to consolidate development synergy. We shall organize labor and skills competitions centered on product competitiveness, green and low-carbon initiatives, and process coordination, extensively collect rational suggestions, promoting advanced operational methods, and refining the employee innovation studio system to fully unleash the creativity and efficiency of the workforce. Second, upholding the principle of sharing development achievements to enhance employee well-being. We shall prioritize the vital interests of employees, tilting compensation distribution toward frontline staff, advancing livelihood projects with tangible results, continuously improving working and living conditions, and steadily elevating employees' sense of security, fulfillment, and happiness. We will improve employee communication mechanisms, encourage staff to contribute ideas and suggestions, fully leverage the vital role of young employees as a new force, and guide them to excel in their positions and demonstrate responsibility, thereby laying a solid foundation for the Company's sustained and healthy development.

DEVELOPMENT PLAN FOR THE NEW YEAR: (Continued)

4. Capital Expenditure Plan

In 2026, the Group plans to allocate RMB3,978 million for fixed asset investments and external investments, with funding to be sourced from internal capital, bank loans, and bond issuances.

Chairman: **Wang Jun**

Anshan • China
30 March 2026

Report of the Directors

The Board is pleased to present the annual report and the audited financial statements for the year ended 31 December 2025.

I. PRINCIPAL BUSINESSES

(1) Composition of operating income

Unit: RMB million

	2025		2024		
	Amount	**As a percentage of the operating income** *(%)*	Amount	As a percentage of the operating income *(%)*	**Year-on-year increase/ decrease** *(%)*
Total operating income	**96,052**	**100**	105,101	100	-8.61
By industry					
Steel rolling and processing industry	**95,684**	**99.62**	104,704	99.62	-8.61
Others	**368**	**0.38**	397	0.38	-7.30
By product					
Steel products	**85,251**	**88.76**	91,570	87.13	-6.90
Others	**10,801**	**11.24**	13,531	12.87	-20.18
By geographical location					
China	**88,829**	**92.48**	97,804	93.06	-9.18
Export sales	**7,223**	**7.52**	7,297	6.94	-1.01
By sales model					
Direct selling	**47,807**	**49.77**	51,928	49.41	-7.94
Distributorship	**48,245**	**50.23**	53,173	50.59	-9.27

I. PRINCIPAL BUSINESSES (Continued)

(2) Industries, products, geographical locations and sales models accounting for more than 10% of the operating income or operating profit of the Company

Unit: RMB million

	Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income as compared with the corresponding period of the previous year (%)	Increase/decrease in operating cost as compared with the corresponding period of the previous year (%)	Increase/decrease in gross profit margin as compared with the corresponding period of the previous year (percentage point)
By industry						
Steel rolling and processing industry	95,684	96,905	-1.28	-8.61	-10.65	2.30
By product						
Hot-rolled sheets products	30,004	31,218	-4.05	-9.17	-10.74	1.83
Cold-rolled sheets products	32,138	32,075	0.20	-6.32	-8.40	2.27
Medium and heavy sheets	16,871	16,171	4.15	-6.00	-11.25	5.67
By geographical location						
China	88,461	89,170	-0.80	-9.18	-11.44	2.57
Export sales	7,223	7,735	-7.09	-1.01	-0.32	-0.74
By sales model						
Direct selling	47,442	48,010	-1.20	-7.94	-10.40	2.77
Distributorship	48,242	48,895	-1.35	-9.27	-10.89	1.85

I. PRINCIPAL BUSINESSES (Continued)

(2) Industries, products, geographical locations and sales models accounting for more than 10% of the operating income or operating profit of the Company (Continued)

In case of adjustment in statistical scope of principal businesses of the Group during the Reporting Period, the principal business data of the Group in the latest year according to adjusted scope at the end of the Reporting Period

☐ Applicable ☑ Not applicable

(3) Composition of operating costs

Unit: RMB million

		2025		2024		
Industry classification	**Item**	**Amount**	**As a percentage of operating costs** *(%)*	Amount	As a percentage of operating costs *(%)*	**Year on-year increase/ decrease in operating costs** *(percentage point)*
Steel rolling and processing industry	Raw materials and fuel	77,195	79.66	84,570	77.98	1.68
	Others	19,710	20.34	23,881	22.02	-1.68
	Total	96,905	100.00	108,451	100.00	–

II. WHETHER THE SCOPE OF CONSOLIDATION WAS CHANGED DURING THE REPORTING PERIOD

☑ Yes ☐ No

The Company established a new wholly-owned subsidiary, Anshan Youcai Trading Co., Ltd.; the Company's subsidiary, Angang Green Gold Industry Development Co., Ltd., established a new wholly-owned subsidiary, Green Gold (Lingyuan) Renewable Resources Co., Ltd.

III. MATERIAL CHANGES OR ADJUSTMENT IN BUSINESSES, PRODUCTS OR SERVICES DURING THE REPORTING PERIOD

☐ Applicable ☑ Not applicable

IV. THE PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY FOR THE REPORTING PERIOD

After audit confirmation by BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership), in accordance with the PRC ASBE, the Group achieved a net profit attributable to shareholders of the Company of RMB-4,068 million in 2025. The Board has comprehensively considered the Company's development and capital needs. To better safeguard the Company's sustainable development and the long-term interests of all shareholders, it is proposed that no cash dividends, bonus shares, or capital reserve capitalization be distributed for the 2025 fiscal year. This proposal is subject to review and approval at the 2025 Annual Shareholders' Meeting.

In accordance with the provisions of the *Notice of the State Taxation Administration on Issues Concerning the Administration of Individual Income Tax after the Abolition of Document Guo Shui Fa [1993] No. 045* (Guo Shui Han [2011] No. 348), for domestic non-foreign-invested enterprises issuing shares in Hong Kong, their overseas resident individual shareholders may enjoy relevant tax preferences in accordance with the provisions of the tax treaties signed between the country or region of their resident status and China, as well as the tax arrangements between the Chinese mainland and Hong Kong (Macao). The Company recommends that shareholders consult their tax advisors regarding the tax implications in the Chinese mainland, Hong Kong of China and other overseas jurisdictions in connection with the ownership and disposal of the Company's H-shares.

V. ANALYSIS OF MAJOR SUBSIDIARIES AND INVESTEES

(I) Major subsidiaries and investees accounting for over 10% of the net profit of the Company

Unit: RMB million

Name of companies	Type of companies	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Chaoyang Iron and Steel	Production enterprise	Steel calendering process	8,000	5,661	3,236	7,429	-501	-475

(II) Acquisition and disposal of subsidiaries during the Reporting Period

Name of companies	Means of acquisition and disposal of subsidiary during the Reporting Period	Effect on overall business operation and results
Green Gold (Lingyuan) Renewable Resources Co., Ltd.	Established by investment	No significant impact
Anshan Youcai Trading Co., Ltd.	Established by investment	No significant impact

VI. MAJOR CUSTOMERS AND SUPPLIERS

1 Information on the Company's major sales customers and major suppliers (on a consolidated basis)

Sales to major customers of the Company:

Unit: RMB million

	2025	2024
Total sales amount of the top five customers	**27,369**	29,704
Proportion of total sales amount of the top five customers over total sales amount for the year *(%)*	**28.49**	28.25
Proportion of sales to related parties of total sales amount of the top five customers over total sales amount for the year *(%)*	**14.16**	13.32

VI. MAJOR CUSTOMERS AND SUPPLIERS (Continued)

1 Information on the Company's major sales customers and major suppliers (on a consolidated basis) (Continued)

Top five customers of the Company:

Unit: RMB million

No.	Customer name	Sales amount	Proportion of sales amount over total sales amount for the year *(%)*
1	Customer A	7,776	8.09
2	Customer B	5,829	6.07
3	Customer C	5,753	5.99
4	Customer D	4,464	4.65
5	Customer E	3,547	3.69
Total	–	27,369	28.49

Note: Among the top five customers on a consolidated basis, Customer E is a new addition this year, namely BYD Company Limited.

Major suppliers of the Group:

Unit: RMB million

	2025	2024
Total sales amount of the top five suppliers	**40,015**	42,624
Proportion of total sales amount of the top five suppliers over total sales amount *(%)*	**42.79**	38.75
Proportion of sales to related parties of total sales amount of the top five suppliers over total sales amount for the year *(%)*	**35.08**	30.56

VI. MAJOR CUSTOMERS AND SUPPLIERS (Continued)

1 Information on the Company's major sales customers and major suppliers (on a consolidated basis) (Continued)

Top five suppliers of the Company:

Unit: RMB million

No.	Supplier name	Procurement Amount	Proportion of purchase amount over total purchase *(%)*
1	Supplier A	15,617	16.70
2	Supplier B	12,268	13.12
3	Supplier C	4,923	5.26
4	Supplier D	4,392	4.70
5	Supplier E	2,815	3.01
Total	–	40,015	42.79

2 Information on the Company's major sales customers and major suppliers (on a parent company basis)

Sales to major customers of the Company:

Unit: RMB million

	2025	2024
Total sales amount of the top five customers	**38,320**	43,643
Proportion of total sales amount of the top five customers over total sales amount for the year *(%)*	**47.09**	41.52
Proportion of sales to related parties of total sales amount of the top five customers over total sales amount for the year *(%)*	**40.65**	37.32

VI. MAJOR CUSTOMERS AND SUPPLIERS (Continued)

2 Information on the Company's major sales customers and major suppliers (on a parent company basis) (Continued)

Top five customers of the Company:

Unit: RMB million

No.	Customer name	Sales amount	Percentage of Total Annual Sales *(%)*
1	Customer a	10,842	13.32
2	Customer b	9,653	11.86
3	Customer c	7,343	9.02
4	Customer d	5,244	6.45
5	Customer e	5,238	6.44
Total	–	38,320	47.09

Major suppliers of the Company:

Unit: RMB million

	2025	2024
Total sales amount of the top five suppliers	**36,411**	39,701
Proportion of total sales amount of the top five suppliers over total sales amount for the year *(%)*	**46.51**	43.77
Proportion of sales to related parties of total sales amount of the top five suppliers over total sales amount for the year *(%)*	**37.97**	31.55

VI. MAJOR CUSTOMERS AND SUPPLIERS (Continued)

2 Information on the Company's major sales customers and major suppliers (on a parent company basis) (Continued)

Top five suppliers of the Company:

Unit: RMB million

No.	Supplier name	Procurement Amount	Proportion of purchase amount over total purchase *(%)*
1	Supplier a	15,440	19.72
2	Supplier b	12,256	15.65
3	Supplier c	4,198	5.37
4	Supplier d	2,484	3.17
5	Supplier e	2,033	2.60
Total	–	36,411	46.51

Note: Among the top five suppliers based on the parent company's perspective, supplier e is newly added this year, namely Delin Land Port Supply Chain Service Co., Ltd.

During the Reporting Period, the proportion of trade business revenue to total operating revenue exceeded 10%

☐ Yes ☑ No ☐ Not applicable

In 2025, save as disclosed in this annual report, none of the Directors and their associates nor any shareholders (who to the knowledge of the Directors hold 5% or more of the shares of the Company) had any interest in any of the top five suppliers or top five customers of the Group.

VII. SERVICE CONTRACTS OF DIRECTORS

For details of the Directors of the Company during the Reporting Period and as at the date of approval of this annual report, please refer to the "Information on Directors and Senior Management" under the "Corporate Governance, Environmental and Social Responsibilities" section in this annual report.

Each member of the Tenth Session of the Board of the Company has entered into a service contract with the Company. The term of office of the Directors of the Tenth Session of the Board shall be three years, commencing from 28 July 2025 until the election of Directors for the next session by the Company's general meeting to be held in 2028. None of the Directors has entered into any service contract with the Company pursuant to which the Company shall make any compensation (except statutory compensation) if such contract is terminated within one year of its execution.

VIII. PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

On 28 February 2024, the Company completed the repurchase and cancellation of 14,180,048 restricted sales held by 183 original incentive recipients at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited that had been granted but had not yet been released. For the movement in share capital related to the incentive scheme, please refer to "Corporate Governance, Environment and Society" in this annual report.

Save for the aforementioned matters, there was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities during the Reporting Period.

IX. PRE-EMPTIVE RIGHTS

In accordance with the Articles of Association of the Company or the laws of the PRC, no pre-emptive rights exist to require the Company to offer new shares to the existing shareholders in proportion to their shareholdings.

X. DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

None of the Directors and Supervisors had any material interest in any contract to which the Company, the holding companies or subsidiaries of the holding companies was a party in 2025.

XI. DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors and their respective associates (as defined in the Hong Kong Stock Exchange Listing Rules) has an interest in any business which competes or may compete with the business in which the Company or the holding companies or any of its subsidiaries are engaged.

XII. INDEMNITY PROVISIONS

The Company has not entered into any provision with Directors of the Company entitling them to an indemnity against liabilities in connection with their service as Directors of the Company.

XIII. DISCLOSURE UNDER CHAPTER 13 OF THE HONG KONG STOCK EXCHANGE LISTING RULES

The Directors confirmed that there was no matter occurring in 2025 which would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Hong Kong Stock Exchange Listing Rules. The Company's controlling shareholder did not pledge any of its shares in the Company to secure any debts, guarantees or other support of obligations of the Company, nor did the Company sign loan agreements imposing specific performance obligations on the controlling shareholders.

XIV. SUFFICIENCY OF PUBLIC FLOAT

Based on the information obtained by the Company through public channels and to the best knowledge of the Directors as at the last practicable date prior to the issuance of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules of the Shenzhen Stock Exchange and Rule 19A.28B(2)(b) of the Listing Rules of the HKEX throughout the year. As at 31 December 2025, the public float of the Company's A-shares was 30.96%, while that of its H-shares was 15.07%. As at 31 December 2025, the Company's shareholding structure was as follows.

XIV. SUFFICIENCY OF PUBLIC FLOAT (CONTINUED)

Name of shareholder	Number of shares held and category	Proportion of total equity	Proportion of total issued H shares
	Non-public shareholders		
Angang Group Company Limited [1]	5,056,865,067 A shares	53.97%	–
Anshan Iron & Steel Co., Ltd. [1]	5,056,865,067 A shares	53.97%	–
Tian Yong [2]	99,000 A shares	0.001%	–
	Public shareholders		
China National Petroleum Corporation	845,000,000 A Shares	9.02%	–
E Fund Management Co., Ltd.	72,452,000 H shares	0.77%	5.13%
Other A shareholders	2,055,717,191 A shares	21.94%	–
Other H shareholders	1,339,088,000 H shares	14.29%	94.87%

Notes:

1. It is the controlling shareholder of the Company. Anshan Iron & Steel Co., Ltd. holds 5,056,865,067 A shares and is a wholly-owned subsidiary of Angang Group Company Limited. For the purpose of the SFO, Angang Group Company Limited is therefore deemed to be interested in the A Shares held by Anshan Iron & Steel Co. Ltd..

2. He is the executive Director and general manager of the Company.

XV. FIXED ASSETS

Changes in the fixed assets during the year are set out in note Ⅵ.14 to the financial statements on pages 295 to 296 of this annual report.

XVI. OPERATING RESULTS

The results of the Company for the year ended 31 December 2025 and its financial position as at that date are set out in the financial statements included in this annual report.

XVII. SHARE CAPITAL

Changes in the share capital during the Reporting Period are set out in note Ⅵ.37 to the financial statements on page 318 of this annual report.

XVIII. RESERVES

Changes in the reserves are set out in note Ⅵ.41 to the financial statements on page 321 of this annual report.

XIX. DONATIONS

During the Reporting Period, the total amount of donations made by the Group was RMB16.50 million. For details of the donations and subsidies, please refer to the section of "Corporate Governance, Environment and Society" in this annual report.

XX. EMPLOYEE RETIREMENT SCHEME

Details of the employee retirement scheme of the Group are set out in note Ⅵ.26 to the financial statements on page 309 to page 310 of this annual report.

XXI. CONTINUING CONNECTED TRANSACTIONS

Details of continuing connected transactions of the Company for the year are set out on page 157 to page 171 and on page 353 to page 372 this annual report.

The related-party transactions disclosed in items (1) to (3) of Note XIII.5 to the financial statements of this annual report also constitute connected transactions or continuing connected transactions defined in Chapter 14A of the Hong Kong Stock Exchange Listing Rules.

XXII. COMPLIANCE WITH LAWS AND REGULATIONS THAT HAVE MATERIAL IMPACT ON THE COMPANY

The Board attaches importance to the compliance of the Group's policies and practices with the requirements of national laws and regulations. As at 31 December 2025, to the best of the Board's knowledge, the Company has strictly complied with relevant laws and regulations of China and Hong Kong, such as the Company Law of the PRC, the Securities Law of the PRC and the Hong Kong Stock Exchange Listing Rules.

XXIII. FIVE-YEAR SUMMARY

A summary of the results and balance sheet of the Group for five years are set out on page 392 of this annual report.

XXIV. AUDITOR

BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) was engaged as the Company's auditor in 2025.

XXV. REMUNERATION OF EMPLOYEES

The Group's remuneration of employees in 2025 is set out in note Ⅵ.26 to the financial statements on page 309 of this annual report.

By order of the Board
Wang Jun
Chairman

30 March 2026

Discussion and Analysis of Operations

I. ANALYSIS OF PRINCIPAL BUSINESSES

(I) Overview

In 2025, the Group achieved operating income of RMB96,052 million; total profit of RMB-3,894 million; and net profit attributable to shareholders of the listed company of RMB-4,068 million.

Unit: RMB million

Items	Reporting Period	Corresponding period of the previous year	Increase/decrease during the Reporting Period as compared with the corresponding period of the previous year *(%)*	Explanation and reasons for significant change
Operating income	96,052	105,101	-8.61	–
Operating costs	97,255	108,825	-10.63	–
Marketing expenses	534	560	-4.64	–
Administrative expenses	1,096	1,339	-18.15	–
Financial expenses	305	266	14.66	–
R&D expenditure	478	468	2.14	–
Total profit	-3,894	-7,035	44.65	In 2025, the strong supply and weak demand situation in the steel market had not fundamentally improved. Faced with market pressure, the Group continued to advance the initiative of "Focusing on Value Creation and Implementing Full-Cycle Accounting Management". We intensified market expansion and product mix optimization, enhanced operational efficiency, tapped energy-saving potential, optimized procurement radius, and strived for systematic cost reduction. As a result, the Group achieved a year-on-year reduction in losses in 2025.
Net profit attributable to shareholders of the Company	-4,068	-7,122	42.88	
Net increase in cash and cash equivalents	-640	1,225	-152.24	The net increase in cash and cash equivalents decreased by RMB1,865 million year-on-year, primarily due to: (i) a year-on-year increase of RMB2,575 million in net cash flows from operating activities, mainly attributable to the rise in net profit; (ii) a year-on-year decrease of RMB172 million in net cashflows from investing activities, primarily resulting from increased capital expenditure on fixed assets; and (iii) a year-on-year reduction of RMB4,268 million in net cash flows from financing activities, mainly due to the lower net increase in interest-bearing debt.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost

1. Composition of operating income

Unit: RMB million

	2025		202		
	Amount	**As a percentage of the operating income** *(%)*	Amount	As a percentage of the operating income *(%)*	**Year-on-year increase/ decrease** *(%)*
Total operating Income	**96,052**	**100**	105,101	100	-8.61
By industry					
Steel rolling and processing industry	**95,684**	**99.62**	104,704	99.62	-8.61
Others	**368**	**0.38**	397	0.38	-7.30
By product					
Steel products	**85,251**	**88.76**	91,570	87.13	-6.90
Others	**10,801**	**11.24**	13,531	12.87	-20.18
By geographical location					
Domestic China	**88,829**	**92.48**	97,804	93.06	-9.18
Export sales	**7,223**	**7.52**	7,297	6.94	-1.01
By sales model					
Direct selling	**47,807**	**49.77**	51,928	49.41	-7.94
Distributorship	**48,245**	**50.23**	53,173	50.59	-9.27

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

2. Industries, products, geographical locations and sales modes accounting for more than 10% of the operating income or operating profit of the Group

Unit: RMB million

	Operating income	Operating cost	Gross profit margin *(%)*	Increase/ decrease in operating income as compared with the corresponding period of the previous year *(%)*	Increase/ decrease in operating cost as compared with the corresponding period of the previous year *(%)*	Increase/ decrease in gross profit margin as compared with the corresponding period of the previous year *(percentage point)*
By industry						
Steel rolling and processing industry	95,684	96,905	-1.28	-8.61	-10.65	2.30
By product						
Hot-rolled sheets products	30,004	31,218	-4.05	-9.17	-10.74	1.83
Cold-rolled sheets products	32,138	32,075	0.20	-6.32	-8.40	2.27
Medium and thick plates	16,871	16,171	4.15	-6.00	-11.25	5.67
By geographical location						
Domestic China	88,461	89,170	-0.80	-9.18	-11.44	2.57
Export Sales	7,223	7,735	-7.09	-1.01	-0.32	-0.74
By sales model						
Direct selling	47,442	48,010	-1.20	-7.94	-10.40	2.77
Distributorship	48,242	48,895	-1.35	-9.27	-10.89	1.85

In case of adjustment in statistical calibers of principal businesses of the Group during the Reporting Period, the principal businesses data of the Group in the latest year according to adjusted calibers at the end of the Reporting Period

☐ Applicable ✓ Not applicable

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

3. Whether the Company's income from the sale of goods is greater than its income from the provision of services

☑ Yes ☐ No

Quantity unit: 10,000 tons

Industry Classification	Items	2025	2024	Year-on-year increase/ decrease *(%)*
Steel rolling and processing industry	Sales volume	2,384.32	2,395.13	-0.45
	Production volume	2,371.83	2,397.54	-1.07
	Stock volume	68.03	74.76	-9.00

Reasons for the year-on-year change of over 30% in the relevant data

☐ Applicable ☑ Not applicable

4. Performance of material sales contracts and material procurement contracts entered into by the Company as of the end of the Reporting Period

☐ Applicable ☑ Not applicable

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

5. Composition of operating costs

Unit: RMB million

Industry Classification	Items	2025 Amount	2025 As a percentage of operating costs (%)	2024 Amount	2024 As a percentage of operating costs (%)	Year-on-year increase/ decrease in operating costs (percentage point)
Steel rolling and processing industry	Raw materials and fuel	77,195	79.66	84,570	77.98	1.68
	Others	19,710	20.34	23,881	22.02	-1.68
	Total	96,905	100.00	108,451	100.00	–

6. Whether the scope of consolidation was changed during the Reporting Period

☑ Applicable ☐ Not applicable

The Company established a new wholly-owned subsidiary, Anshan Youcai Trading Co., Ltd.; the Company's subsidiary, Angang Green Gold Industry Development Co., Ltd., established a new wholly-owned subsidiary, Green Gold (Lingyuan) Renewable Resources Co., Ltd.

7. Material changes or adjustment in businesses, products or services of the Group during the Reporting Period

☐ Applicable ☑ Not applicable

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

8. Major customers and suppliers

(1) Information on the Company's major sales customers and major suppliers (on a parent company basis)

Sales to major customers of the Company:

Unit: RMB million

	2025	2024
Total sales amount of the top five customers	**27,369**	29,704
Proportion of total sales amount of the top five customers over total sales amount for the year *(%)*	**28.49**	28.25
Proportion of sales to related parties of total sales amount of the top five customers over total sales amount for the year *(%)*	**14.16**	13.32

Top five customers of the Company:

Unit: RMB million

No.	**Customer name**	**Sales amount**	**Proportion of sales amount over total sales amount for the year** *(%)*
1	CUSTOMER A	7,776	8.09
2	CUSTOMER B	5,829	6.07
3	CUSTOMER C	5,753	5.99
4	CUSTOMER D	4,464	4.65
5	CUSTOMER E	3,547	3.69
Total	–	27,369	28.49

Note: Among the top five customers on a consolidated basis, Customer E is a new addition this year, namely BYD Company Limited.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

8. Major customers and suppliers (Continued)

(1) Information on the Company's major sales customers and major suppliers (on a parent company basis) (Continued)

Sales to major suppliers of the Company:

Unit: RMB million

	2025	2024
Total sales amount of the top five suppliers	**40,015**	42,624
Proportion of total sales amount of the top five suppliers over total sales amount for the year *(%)*	**42.79**	38.75
Proportion of sales to related parties of total sales amount of the top five suppliers over total sales amount for the year *(%)*	**35.08**	30.56

Top five suppliers of the Company:

Unit: RMB million

No.	**Supplier name**	**Sales amount**	**Proportion of purchase amount over total purchase year** *(%)*
1	SUPPLIER A	15,617	16.70
2	SUPPLIER B	12,268	13.12
3	SUPPLIER C	4,923	5.26
4	SUPPLIER D	4,392	4.70
5	SUPPLIER E	2,815	3.01
Total	–	40,015	42.79

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

8. Major customers and suppliers (Continued)

(2) Information on the Company's major sales customers and major suppliers (on a consolidated basis) (Continued)

Sales to major customers of the Company:

Unit: RMB million

	2025	2024
Total sales amount of the top five customers	**38,320**	43,643
Proportion of total sales amount of the top five customers over total sales amount for the year *(%)*	**47.09**	41.52
Proportion of sales to related parties of total sales amount of the top five customers over total sales amount for the year *(%)*	**40.65**	37.32

Top five customers of the Company:

Unit: RMB million

No.	**Customer name**	**Sales amount**	**Proportion of sales amount over total sales amount for the year** *(%)*
1	Customer a	10,842	13.32
2	Customer b	9,653	11.86
3	Customer c	7,343	9.02
4	Customer d	5,244	6.45
5	Customer e	5,238	6.44
Total	–	38,320	47.09

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

8. Major customers and suppliers (Continued)

(2) Information on the Company's major sales customers and major suppliers (on a consolidated basis) (Continued)

Sales to major suppliers of the Company:

Unit: RMB million

	2025	2024
Total sales amount of the top five suppliers	**36,411**	39,701
Proportion of total sales amount of the top five suppliers over total sales amount for the year *(%)*	**46.51**	43.77
Proportion of sales to related parties of total sales amount of the top five suppliers over total sales amount for the year *(%)*	**37.97**	31.55

Top five suppliers of the Company: *Unit: RMB million*

No.	**Supplier name**	**Sales amount**	**Proportion of purchase amount over total purchase year** *(%)*
1	Supplier a	15,440	19.72
2	Supplier b	12,256	15.65
3	Supplier c	4,198	5.37
4	Supplier d	2,484	3.17
5	Supplier e	2,033	2.60
Total	–	36,411	46.51

Note: Among the top five suppliers based on the parent company's perspective, supplier e is newly added this year, namely Delin Land Port Supply Chain Service Co., Ltd.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(II) Income and Cost (Continued)

8. Major customers and suppliers (Continued)

(2) Information on the Company's major sales customers and major suppliers (on a consolidated basis) (Continued)

During the Reporting Period, the proportion of trade business revenue to total operating revenue exceeded 10%

☐ Yes ☑ No ☐ Not Applicable

In 2025, save as disclosed in this annual report, none of the Directors and their associates nor any shareholders (who to the knowledge of the Directors hold 5% or more of the shares of the Company) had any interest in any of the top five suppliers or top five customers of the Group.

(III) Expenses

Unit: RMB million

	2025	2024	**Year-on-year increase/ Decrease** *(%)*	**Explanations on material change**
Marketing expenses	**534**	560	-4.64	–
Administrative expenses	**1,096**	1,339	-18.15	–
Financial expenses	**305**	266	14.66	–
R&D expenditure	**478**	468	2.14	–
Income tax expenses	**99**	59	67.80	The income tax expenses increased by RMB40 million year on year, which was mainly due to the year-on-year increase in the deferred tax expense recognized this year.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(IV) R&D Expenditure

☑ Applicable ☐ Not applicable

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Key Technology Research on Medium-High Silicon Alkaline Pellet Preparation and High-Proportion Pellet Application in Blast Furnaces	Overcome the challenges in preparing alkaline pellets, fully utilizing internal resources; achieve large-scale application of alkaline pellets, optimized the burden structure to reduce ironmaking costs.	Completed research on pellet ore blending and alkalinity optimization, significantly improving economic and technical indicators. Conducted in-depth research on low-carbon metallurgy mechanisms, formulating a low-carbon pellet ore blending solution. Developed a comprehensive burden optimization plan to guide resource allocation decisions.	Custom-developed medium-to-high silicon alkaline pellets to meet blast furnace material requirements. Achieved stable smelting with a high proportion of pellets in blast furnaces, significantly improving technical indicators. Established a high-proportion pellet smelting operation system compatible with blast furnaces.	Upon successful completion of the project, it will enable green, efficient, and low-carbon smelting in blast furnaces under high-proportion pellet conditions, reducing iron production costs.
Key Technology Research for High-Proportion Iron Concentrate Sintering with Thick Layers Above 800mm	Significantly increase the proportion of concentrate, lowering raw material costs; achieve thick-layer sintering, markedly boosting production and reducing consumption.	Completed fundamental research on raw material characteristics. Preliminarily achieved stable production with high-concentrate ratios, demonstrating notable cost reduction and efficiency gains.	Implement large-scale thick-layer sintering with high iron concentrate ratios at the Company's Anshan bases, achieving both production increase and energy consumption reduction.	Upon successful project completion, the proportion of concentrates in sintering raw materials will be further elevated, thereby reducing ironmaking production costs.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(IV) R&D Expenditure (Continued)

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Research on High-Ratio Application of Weakly Caking Coal for Quality-Stabilized Coke Production in Large Top-Charging Coke Ovens	Significantly reduced the blending ratio of coking and fat coal, markedly optimizing raw material costs; research achievements were successfully commercialized, enabling stable industrial-scale production.	By leveraging widely adopted advanced desulfurization systems, brake through made on the limitation on sulfur content of traditional single coal type, successfully applied high-sulfur and high-strength coal, increased the blending ratio of weakly caking coal, and reduced coal blending costs. Concurrently, utilizing unique low-ash, low-sulfur coal resources from Northeast China ensured compliance with environmental standards and product quality while achieving cost-efficient utilization of high-sulfur resources.	Achieved a record low ratio of coking coal and fat coal in the industry. Notably lower coal blending costs, with procurement unit prices consistently outperforming market benchmarks.	Upon successful implementation, this project will make a significant contribution to the optimized and rational utilization of coking coal, laying a technical foundation for the sustainable development and efficient use of high-quality coking coal, while supporting the company's efforts to turn losses into profits.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(IV) R&D Expenditure (Continued)

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Research on Fluidized Bed Hydrogen Ironmaking Technology	Develop a set of electrolytic water-based green hydrogen production technology and equipment powered by renewable energy, with a hydrogen output capacity of 1,200 Nm^3/h. Establish a pilot-scale fluidized hydrogen direct reduction test facility with an annual capacity of 10,000 tons of direct reduced iron (DRI) and complete pilot testing.	The maximum hydrogen production capacity per electrolyzer reaches 1,576 Nm^3/h, with stable operation for 2,721 hours; hydrogen purity exceeds 99.7%; DC power consumption for hydrogen production is 4.21 kWh/m^3 H_2; and the adjustable power range for the entire process spans 8.37% to 105%. The metallization rate of DRI ranged between 92% and 98%, with cumulative production of direct reduced iron reaching 248.4 tons.	The full-process flow of the fluidized bed hydrogen metallurgy pilot line has been connected, and continuous and stable production has been achieved.	Develop a novel hydrogen-based fluidized bed direct reduction ironmaking technology, laying the foundation for the Company's large-scale application of hydrogen-based steelmaking.
Research on Process Technologies to Reduce Steel Material Consumption Across the Entire Steelmaking Process	Minimized iron loss during hot metal pretreatment, implemented slag-retaining and low-slag converter steelmaking processes to reduce flux and steel material consumption, thereby lowering overall steel material usage throughout the steelmaking process.	At present, the research on the converter slag washing desulfurization process for steel grades with relatively loose finished product sulfur content requirements has been completed.	The full-process steelmaking iron-steel material consumption was reduced to as low as 1,095 kg/t.	Steelmaking costs directly impact the manufacturing costs of steel products, with iron-steel material consumption accounting for approximately 80% of steelmaking production costs, making it a critical comprehensive economic and technical indicator in steel production. This project reduces the full-process steelmaking iron-steel material consumption, thereby lowering the steelmaking production costs of the Company and enhancing its competitiveness.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(IV) R&D Expenditure (Continued)

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Research on Electroslag Remelting Process Technology for Shipbuilding Steel	Electroslag remelting remains the primary method for producing extra-thick shipbuilding steel plates. However, increased plate thickness tends to reduce the qualified rate of ultrasonic testing for finished Electroslag remelting ingots. The current qualified rate for cast steel Electroslag remeltingingots stands at only 92.2%, indicating significant room for improvement.	Conduct a literature review on quality control of ESR steel for shipbuilding to clarify material properties, application scenarios, and global technological status. Employ thermo-mechanical simulators, scanning electron microscopes, and other equipment for multidimensional evaluation of physical properties. Optimize key ESR process parameters through numerical simulation and laboratory experiments to study the influence of core parameters on solidification quality. Analyze defect formation mechanisms during ESR and implement control measures, with industrial trials validating optimization effects to enhance both ultrasonic testing and macro-examination qualification rates.	Increase the ultrasonic testing qualification rate of shipbuilding ESR ingots to 95%	Upon successful project completion, this R&D initiative will reduce production losses in ESR processes, improve yield rates and economic benefits, while strengthening the competitiveness of high-end marine steel products.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(IV) R&D Expenditure (Continued)

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Extra-thick Locomotive Steel for Extreme Cold Regions	Developed high-thickness locomotive steel for extreme cold regions, meeting the low-temperature toughness requirement of -50°C, supporting the upgrade of manufacturing materials for railway locomotives.	Developed 100mm-thick 460MPa high-strength and high-toughness locomotive steel, with performance meeting the low-temperature toughness requirement of -50°C.	Achieved full-range supply of 3-100mm high-strength and high-toughness locomotive steel, providing critical material support for the longevity and high reliability of rail transit equipment.	Future annual sales of full-specification high-strength and high-toughness locomotive steel are expected to exceed 10,000 tons, generating estimated benefits of over RMB3 million.
High-strength Spherical Tank Steel for Deep-sea Containers	Met the material requirements for a national major engineering demonstration project.	Completed the supply of the first set of AG785 spherical tank steel plates and forgings with 785MPa-grade high strength, toughness, and pressure resistance for deep-sea containers.	Develop new products to meet the ultra-high-pressure design needs of end-users.	Effectively supported the smooth progress of a national major engineering demonstration project, reserving new profit growth points for the Company.
Heterogeneous Composite Steel Plates for Nuclear Power Containment Cooling Auxiliary Water Tanks	Successfully developed AG728+316L heterogeneous clad steel plates for nuclear power applications, achieving mass production supply with a market share exceeding 60%.	Completed the development of AG728+316L heterogeneous clad steel plates for a specific nuclear power project, realizing exclusive mass production supply and accomplishing the product's global debut.	Comprehensively finalized the R&D of AG728+316L heterogeneous clad steel plates for various nuclear power units, achieving widespread application.	Driving the manufacturing and transformation of corrosion-resistant equipment materials for nuclear power, further enhancing the Company's market influence in nuclear power steel products.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(IV) R&D Expenditure (Continued)

Names of main R&D projects	Purpose	Progress	Proposed objectives	Expected effects on the future development of the Company
Specialized Steel Plates for X65MO Steel Catenary Riser Welded Pipes With a Thickness of 32mm	To address the urgent demand for equipment materials in China's deep-sea oil and gas resource development, break foreign technological monopolies, and achieve independent control over key materials for deep-sea oil and gas exploitation.	A joint research team was formed with domestic steel pipe manufacturers, research institutes, and universities, successfully developing 32mm-thick steel plates for steel catenary risers and manufacturing straight-seam submerged arc welded pipes with a diameter of Φ559mm, filling the international gap for large-diameter, thick-walled, high-strength steel catenary riser welded pipe materials.	Breakthroughs were made in the toughening and plasticizing technology for riser pipe materials, as well as the preparation, forming, and welding manufacturing technologies for steel plates used in steel catenary risers, achieving material preparation for high-toughness, plasticity, and fatigue-resistant steel catenary risers, meeting engineering application conditions.	This provides an effective solution for riser pipe materials used in deep-sea oil and gas exploitation to meet marine service conditions, enhancing the company's overall supply capability for equipment materials in marine oil and gas resource development.
460mpa-Grade Thick-Gauge Rare-Earth Hot-Rolled Wheel Steel for Commercial Vehicles	Developed a 460MPa-grade rare earth hot-rolled wheel steel with thick specifications for commercial vehicles, meeting the high fatigue performance requirements of automotive wheels.	Completed the industrial development of A460LF rare earth hot-rolled wheel steel with thick specifications for commercial vehicles, achieving a global debut.	The product fulfills the safety and lightweight development requirements of commercial vehicle wheels with high fatigue performance.	The related process technologies can be rapidly extended to the entire wheel steel product system, enabling product iteration and upgrading while enhancing the Group's market share in wheel steel products.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(IV) R&D Expenditure

R&D staff of the Group

	2025	2024	Percentage change
Number of R&D staff *(person)*	2,308	2,373	-2.74%
Percentage of the number of R&D staff in the Company	9.62%	9.48%	Increase by 0.14 percentage points
Educational background of R&D staff			
Bachelor	1,479	1,545	-4.27%
Master	488	497	-1.81%
Age structure of R&D staff			
Under 30	96	103	-6.80%
30~40	616	731	-15.73%
Above 41	1,596	1,539	3.7%

R&D expenditure of the Group

	2025	2024 (Adjusted)	Percentage change
Amount of R&D expenditure *(RMB million)*	3,837	3,972	-3.40%
Percentage of R&D expenditure in operating income	3.99%	3.78%	Increase by 0.21 percentage point
Amount of capitalized R&D expenditure *(RMB million)*	–	–	–
Percentage of capitalization of R&D expenditure in the R&D expenditure	–	–	–

Reasons for and effects of the significant change in the composition of R&D staff

☐ Applicable ☑ Not applicable

Reasons for the significant change in the proportion of total R&D expenditure in operating income as compared with the previous year

☐ Applicable ☑ Not applicable

Reasons for and reasonableness of the significant change of the capitalization rate of R&D expenditure

☐ Applicable ☑ Not applicable

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(V) Cash Flow

Unit: RMB million

Item	2025	2024	Year-on-year increase/ decrease *(%)*
Sub-total of cash inflow from operating activities	**102,695**	96,159	6.80
Sub-total of cash outflow from operating activities	**100,907**	96,946	4.09
Net cash flow from operating activities	**1,788**	-787	327.19
Sub-total of cash inflow from investing activities	**3,557**	727	389.27
Sub-total of cash outflow from investing activities	**7,456**	4,454	67.40
Net cash flow from investing activities	**-3,899**	-3,727	-4.61
Sub-total of cash inflow from financing activities	**21,483**	19,511	10.11
Sub-total of cash outflow from financing activities	**20,012**	13,772	45.31
Net cash flow from financing activities	**1,471**	5,739	-74.37
Net increase of cash and cash equivalents	**-640**	1,225	-152.24

➢ Explanations of the main factors for significant year-on-year changes of the relevant figures:

☑ Applicable ☐ Not applicable

(1) Net cash flow from operating activities was RMB1,788 million, an increase of RMB2,575 million, primarily due to the year-on-year growth in net profit.

(2) Net cash flow from investing activities was RMB-3,899 million, a decrease of RMB172 million, mainly attributable to the year-on-year increase in capital expenditure for fixed assets.

(3) Net cash flow from financing activities amounted to RMB1,471 million, a decrease of RMB4,268 million, primarily due to a year-on-year reduction in the net increase of interest-bearing liabilities.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(V) Cash Flow (Continued)

➢ Explanations on reasons for significant differences in cash flow from operating activities and net profit of the Group during the Reporting Period:

☑ Applicable ☐ Not applicable

Unit: RMB million

Item	This year
Reconciliation of net profit to cash flow from operating activities:	
Net profit	-3,993
Add: Provision for impairment on assets	348
Credit impairment loss	6
Depreciation of fixed assets	3,830
Amortization of intangible assets	451
Depreciation of right to use assets	80
Loss on disposal of fixed assets, intangible assets and other non-current assets ("-" for gains)	-16
Loss on scrap of fixed assets ("-" for gains)	15
Loss on the change of fair value ("-" for gains)	-53
Financial expenses ("-" for gains)	275
Investment loss ("-" for gains)	-503
Decrease in deferred tax assets ("-" for increase)	31
Increase in deferred tax liabilities ("-" for decrease)	8
Decrease in inventories ("-" for increase)	2,417
Decrease in operating receivables ("-" for increase)	-493
Increase in operating payables ("-" for decrease)	-672
Others	57
Net cash flow from operating activities	1,788

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(VI) Liquidity and financial resources

1 Loan and credit

As at 31 December 2025, the Group's total borrowings amounted to RMB14,737 million. The interest rates on bank borrowings were either fixed or floating based on LPR, with an average borrowing rate of 2.18%. The loan tenors ranged from 1 to 9 years, primarily utilized for working capital replenishment and payment of construction payable. The Group maintains ample credit facilities with financial institutions and holds approved but unutilized short-term financing quota in the interbank market, ensuring smooth financing channels and demonstrating its capability to repay maturing debts.

2 Working capital

As at 31 December 2025, the Group's cash and bank balances denominated in foreign currencies stood at RMB1 million (31 December 2024: RMB1 million).

Cash and bank balances denominated in the currencies as set out below:

Unit: RMB million

	31 December 2025	31 December 2024
RMB	**3,912**	4,543
USD	**1**	1
HKD	**–**	–
Others	**–**	–
Sub-totals	**3,913**	4,544

3 Capital commitments

As at 31 December 2025, the Group had a total capital commitment of RMB1,097 million, which was primarily the construction and renovation contracts of RMB1,083 million entered into but not yet performed or partially performed and foreign investment contracts of RMB14 million entered into but not yet performed or partially performed.

I. ANALYSIS OF PRINCIPAL BUSINESSES (Continued)

(VII) Pension Plans

In accordance with the requirements of national insurance policies of the PRC, the Group provides all employees with basic pension (which are contributed as to 16% by the employer and as to 8% by the individual employee), pursuant to which the employee is entitled to receive pension payments on a monthly basis after retirement. For each month, the Group makes contribution to the basic pension scheme at 16% of the aggregate sum of individual employee's contribution basis. In addition, the Group maintains corporate annuity scheme for all of its employees and compensates employees for the number of years of service prior to the establishment of the corporate annuity scheme. The Group, as an employer, cannot use forfeited contributions (by the employer on behalf of employees who leave the scheme prior to vesting fully in such contributions) to reduce the existing level of contributions.

(VIII) Foreign exchange risk

The Group carries out import and export through agent trade by Angang International Trade for its main foreign currency transactions including the export of sales products, import of raw materials and engineering equipment. Foreign currency risk is mainly reflected in the impact of exchange rate changes when settling through agent on sales and procurement costs.

II. ANALYSIS OF NON-PRINCIPAL BUSINESSES

Unit: RMB million

Item	Amount	As a percentage of total profit *(%)*	Reasons for the changes	Sustainable or not
Investment income	503	Not Applicable	Mainly included investment income from long-term equity investments accounted by equity method and other equity instruments during holding period.	Yes
Gains arising from changes in fair value	53	Not Applicable	Changes in fair value of derivative financial instruments, other non-current financial assets, and trading financial assets.	Yes
Impairment losses on asset (“-” for losses)	-348	Not Applicable	Provision for inventory write-downs.	No
Credit impairment loss (“-” for losses)	-6	Not Applicable	Mainly due to the provision for impairment of other receivables.	No
Other gains	455	Not Applicable	Primarily consists of gains from government grants and preferential tax policies.	No
Gains on disposal of assets	16	Not Applicable	Gains on disposal of assets.	No
Non-operating income	44	Not Applicable	Mainly comprised gains from disposal of non-current assets, compensation income for breach of contract, and write-off of unclaimed payables.	No
Non-operating expenses	41	Not Applicable	Primarily comprised of losses from the disposal of non-current assets and external donation expenses.	No

III. ANALYSIS OF ASSETS AND LIABILITY

(I) Significant changes in composition of assets

Unit: RMB million

	End of 2025		Beginning of 2025			
Item	**Amount**	**As a percentage of total assets**	Amount	As a percentage of total assets	**Increase/ decrease**	**Explanation for significant change**
		(%)		*(%)*	*(percentage point)*	
Monetary capital	3,913	4.07	4,544	4.52	-0.45	–
Account receivables	3,083	3.21	2,952	2.94	0.27	–
Inventories	11,993	12.49	14,769	14.68	-2.19	–
Long-term equity investments	4,211	4.38	3,840	3.82	0.56	–
Fixed assets	55,272	57.55	51,842	51.54	6.01	–
Construction in progress	2,373	2.47	5,802	5.77	-3.30	–
Right-of-use assets	105	0.11	123	0.12	-0.01	–
Short-term loans	8,070	8.40	1,174	1.17	7.23	–
Contract liabilities	4,738	4.93	4,557	4.53	0.40	–
Long-term loans	6,121	6.37	10,991	10.93	-4.56	–
Lease liability	36	0.04	125	0.12	-0.08	–

A high proportion was recorded in offshore assets

☐ Applicable ☑ Not applicable

III. ANALYSIS OF ASSETS AND LIABILITY (Continued)

(II) Assets and liabilities measured at fair value

Unit: RMB million

Item	Opening balance	Gains or losses arising from changes in fair value for the period	Changes in cumulative fair value reported in equity	Impairment made for the period	Purchases during the period	Disposals during the period	Other changes	Closing balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	15	5	–	–	–	–	–	20
2. Derivative financial assets	–	4	–	–	–	–	–	4
3. Other credit investment	–	–	–	–	–	–	–	–
4. Other equity instrument investment	690	–	237	–	–	–	–	675
5. Other non-current financial assets	104	38	–	–	–	–	–	142
Sub-total of financial assets	809	47	237	–	–	–	–	841
Investment properties	–	–	–	–	–	–	–	–
Productive biological assets	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–
Total	809	47	237	–	–	–	–	841
Financial liabilities	1	–	–	–	–	–	–	1

Material changes in measurement of major assets during the Reporting Period

☐ Yes ☑ No

(III) Gearing ratio

As at 31 December 2025 and 31 December 2024, the Group's ratio of equity to liability was 0.88 times and 0.94 times, respectively. This ratio was calculated on the basis of total shareholders' equity divided by total liabilities.

III. ANALYSIS OF ASSETS AND LIABILITY (Continued)

(IV). Restrictions on assets as at the end of the Reporting Period

As at 31 December 2025, the Group's total restricted assets amounted to RMB9 million, comprising RMB1 million in bill deposits and RMB8 million in futures margin deposits under the cash and cash equivalents category.

(V). Contingent liabilities

As at 31 December 2025, the Group had no contingent liabilities.

IV. ANALYSIS OF INVESTMENTS OF THE COMPANY

(I) Overall Information

Unit: RMB million

Investments during the reporting period	Investments in the corresponding period of the previous year	Change (%)
182	216	-15.74

(II) Significant Equity Investments Obtained during the Reporting Period

☐ Applicable ☑ Not applicable

(III) Significant Non-equity Investments being conducted during the Reporting Period

☐ Applicable ☑ Not applicable

IV. ANALYSIS OF INVESTMENTS OF THE COMPANY (Continued)

(IV) Financial Asset Investments

1. Securities Investments

Unit: RMB million

Stock type	Stock code	Stock abbreviation	Initial investment costs	Accounting measurement model	Book value at the beginning of the period	Gains and losses from changes in fair value in the Reporting Period	Accumulative changes in fair value included in equity	Purchase amount in the Reporting Period	Selling amount in the Reporting Period	Gains or losses during the Reporting Period	Book value at the end of the period	Accounting items	Source of funds
Stock	600961	Zhuye Group	81	Measured at fair value	36	38				38	74	Financial asset held for trading	Self-owned funds
Stock	601777	Qianli Technology	17	Measured at fair value	15	5				5	20	Financial asset held for trading	Self-owned funds

2. Derivative investments

1) Derivatives investment with the intention of hedging during the Reporting Period

Unit: RMB million

Type of derivatives investment	Initial investment amount of derivatives	Investments at the beginning of the period	Gains and losses from changes in fair value in the Reporting Period	Accumulative changes in fair value included in equity	Purchase amount during the Reporting Period	Disposal amount during the Reporting Period	Investments at the end of the period	Proportion of investments at the end of the period to net assets of the Group at the end of the Reporting Period
Futures hedging	1	244	10		582	680	102	0.23%
Total	1	244	10		582	680	102	0.23%

IV. ANALYSIS OF INVESTMENTS OF THE COMPANY (Continued)

(IV) Financial Asset Investments (Continued)

2. Derivative investments (Continued)

1) Derivatives investment with the intention of hedging during the Reporting Period (Continued)

Statement on whether there was any material changes between the accounting policies and specific accounting principles for the hedging business during the Reporting Period and those during the previous reporting period	No material changes have occurred.
Statement on the actual gains or losses during the Reporting Period	The company conducts all financial derivative activities based on hedging principles, with all derivative operations tied to corresponding physical business. Under the principle of futures-spot linkage, gains and losses from financial derivatives can effectively hedge against physical business profits and losses.
Statement on the effectiveness of future hedging	Commodity-based financial derivative trading is solely aimed at locking in risks arising from actual operations, mitigating price volatility risks of relevant raw materials or goods, with an overall effective hedging outcome.
Source of funds for derivative investments	Self-owned funds

IV. ANALYSIS OF INVESTMENTS OF THE COMPANY (Continued)

(IV) Financial Asset Investments (Continued)

2. Derivative investments (Continued)

1) Derivatives investment with the intention of hedging during the Reporting Period (Continued)

Risk analysis on and control measures to the derivative positions during the Reporting Period (including but not limited to the market risk, the liquidity risk, the credit risk, the operational risk, and the legal risk) and the statement on the corresponding control measures	The Company's futures hedging operations can partially offset commodity price volatility risks, contributing to stable production and operations. However, due to the inherent financial nature of hedging instruments, they may also introduce additional risks, including market risk, liquidity risk, credit risk, operational risk, and legal risk. The Company will strictly implement the principle of no speculating and hedging, and actively implement various measures in terms of organisational structure, system process and risk control to effectively prevent, discover and resolve risks: 1. The Company has formulated and continuously improved the "Hedging Business Management Measures of Angang Steel Company Limited" It has established a sound management organisational structure for commodity financial derivatives, to ensure that the entire process of financial derivatives business is standardized and rigorous, and that business execution and management supervision are strictly separated and carried out in an orderly manner. 2. The positions held are related to the steel industry and are highly correlated with the Company's spot operations. The Company regularly analyzes and forecasts the market, but there may be deviations in market judgment, which carries certain risks. However, with hedging between futures and spot, the risks are controllable. 3. The liquidity of the portfolio is ample, with no liquidity risk.

IV. ANALYSIS OF INVESTMENTS OF THE COMPANY (Continued)

(IV) Financial Asset Investments (Continued)

2. Derivative investments (Continued)

1) Derivatives investment with the intention of hedging during the Reporting Period (Continued)

	4. Futures exchanges provide credit guarantees for open positions, so the credit risk is relatively low. 5. The Company continues to strengthen the training of relevant personnel, design specific operating procedures and plans for futures trading business, and continuously improve the professional quality of relevant personnel. 6. The Company has evaluated legal risks and conducts its operations in accordance with national laws and regulations on futures trading, thus the risks are manageable.
In case of any changes in market prices or fair value of invested derivatives during the Reporting Period, the Company should disclose the specific methods used, relevant assumptions and parameter setting for the analysis of the fair value of derivatives.	During the Reporting Period, the fair value of derivatives was calculated with reference to market prices, spot-futures price differences, and valuation reports provided by trading institutions.
Litigation involved (if applicable)	N/A
Date of the announcement disclosing the approval of derivative investments by the Board (if any)	On 28 March 2025, the Resolution in relation to the Company's 2025 Annual Hedging Business Amount was approved at the 35th meeting of the Ninth Session of the Board.
Date of the announcement disclosing the approval of derivative investments at shareholders' meeting (if any)	None

IV. ANALYSIS OF INVESTMENTS OF THE COMPANY (Continued)

(IV) Financial Asset Investments (Continued)

2. Derivative investments (Continued)

2) Derivatives investments for the purpose of speculation in the Reporting Period

☐ Applicable ☑ Not applicable

The Group did not engage in any derivatives investment for the purpose of speculation in the Reporting Period.

V. DISPOSAL OF SIGNIFICANT ASSETS AND EQUITY INTERESTS

(I) Disposal of Significant Assets

☐ Applicable ☑ Not applicable

(II) Disposal of Significant Equity Interests

☐ Applicable ☑ Not applicable

VI. ANALYSIS OF MAJOR SUBSIDIARIES AND INVESTEES

(I) Major subsidiaries and investees accounting for over 10% of the netprofit of the Company

Unit: RMB million

Name of companies	Type of companies	Principal activities	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Chaoyang Iron and Steel	Production enterprise	Steel calendering process	8,000	5,661	3,236	7,429	-501	-475

VI. ANALYSIS OF MAJOR SUBSIDIARIES AND INVESTEES (Continued)

(II) Acquisition and disposal of subsidiaries during the Reporting Period

Name of companies	Means of acquisition and disposal of subsidiary during the Reporting Period	Effect on overall business operation and results
Green Gold (Lingyuan) Renewable Resources Co., Ltd.	Established by investment	No significant impact
Anshan Youcai Trading Co., Ltd.	Established by investment	No significant impact

VII. STRUCTURE ENTITY CONTROLLED BY THE COMPANY

☐ Applicable ☑ Not applicable

VIII. ANALYSIS ON THE CORE COMPETITIVENESS

1. Brand Influence

The brand awareness and influence of our products have continued to grow. Our products, including shipbuilding and offshore engineering steel, automotive sheet, home appliance sheet, container sheet, and heavy rail products, maintain industry leadership. Six product categories, such as high-speed railway rails, were awarded the "Golden Cup Quality Product" title in the Metallurgical Product Quality Brand Cultivation program. Our medium and heavy plates received the "State-Owned Enterprise Medium and Heavy Plate Premium Brand" award, while high-strength steel, shipbuilding steel, and bridge steel were honored with the "Top Ten Premium Brands" award. The Company was recognized as a 2025 Liaoning Province Manufacturing Industry Champion Enterprise for its "high-grade pipeline wide and heavy plate product", ranking first in the industry for 22 consecutive years. The domestic market shares of pipeline steel and cold-rolled products for home appliances are among the industry leaders, with X80 high-end pipeline steel securing the top market share position. Products are highly recognized by leading customers such as Haier, Midea, and CIMC, earning multiple awards such as "Excellent Supplier". The Company launched the ANTHICK brand for medium and heavy plates and the ANocean brand for marine metal materials. Leveraging a full-chain innovation system, it has become the steel enterprise with the most comprehensive and highest-grade certified shipbuilding steel in China, capable of providing customers with one-stop, full-chain solutions and services for marine metal materials across all depths.

VIII. ANALYSIS ON THE CORE COMPETITIVENESS (Continued)

2. Product Competitive Advantages

We accelerated the "6+N" high-end product layout, achieving remarkable results in product premiumization and sustainability. Our sales of medium and heavy plates for shipbuilding and railway vehicles increased by 35% and 22% year-on-year, respectively. Sales of heavy rails increased by 22.8% year-on-year. Green steel products have officially entered the stage of large-scale application, obtaining certifications from 16 automakers and passing on-site audits by 7 customers. We have successfully developed ultra-high carbon steel and electromagnetic steel wire products. Breakthroughs were made in technological applications: the AG728+022Cr17Ni12Mo2 heterogeneous composite steel plate for nuclear power was utilized in key domestic nuclear projects, Q500qE bridge steel was applied in world-class major projects, and CR450 EMU bogie steel achieved exclusive domestic supply, continuously enhancing product competitiveness.

3. Advantages in Technological Innovation

The Company possesses profound technical expertise, with comprehensive R&D capabilities maintaining an industry-leading position. It has mastered a portfolio of core technologies including low-carbon metallurgy and clean steel smelting, achieving remarkable results in intellectual property management and ranking third in the industry's patent innovation index. In 2025, the Company was granted 559 patents, including 404 invention patents. A patent portfolio layout has been formed covering 10 key technical fields with 57 invention patents, and the Company was approved as a "High-Value Patent Cultivation Center" of Liaoning Province. It has taken the lead in undertaking 3 national key science and technology projects, and 5 products have been launched globally for the first time, fully supporting high-level self-reliance and self-improvement in science and technology. The aluminum-iron coated alloyed steel plate with complete independent intellectual property rights achieved import substitution, while minting steel performance indicators reached international advanced levels and was exported to Tanzania. The control technology for fine inclusions and microstructure regulation in high-end steel wire rod for tire cord reached world-leading standards.

VIII. ANALYSIS ON THE CORE COMPETITIVENESS (Continued)

4. Advantages in Market Technical Services

We deepened integration of sales, R&D, production, and finance to build an efficient closed-loop service system. The Company explored Integrated Product Development (IPD) management, strengthened the three-tier service system, and embedded technical services into customers' product R&D chains. Enhanced the technical marketing service team to create a closed-loop value chain of "demand-driven–value creation–delivery assurance," providing technical marketing services to customers and signing technical agreements to meet multi-dimensional customer needs. We established a "three-dimensional integrated" marketing service system for efficient collaboration, forming dedicated support teams to rapidly respond to customer demands, achieving dual improvements in comprehensive service capabilities and customer satisfaction.

5. Digital and Intelligent Development Edge

We anchored in the digital intelligence development pathway, the Company has solidified its industry-leading position. By thoroughly implementing the "AI+" initiative and establishing a construction path centered on "lean, we standardized, automated, digital, and intelligent" principles, 11 digital intelligence achievements have garnered prestigious national and provincial-level honors, with multiple outcomes emerging as industry benchmarks. Adhering to the "1232" digital intelligence development framework, the Company has advanced AI technology integration, pioneering a multi-scenario integrated AI large model platform within the industry. It has deepened data governance, attaining the DCMM Level 4 certification. Through intelligent upgrades in key processes, the numerical control rate has reached 92.5%, with digital transformation and data governance capabilities consistently ranking among industry frontrunners.

VIII. ANALYSIS ON THE CORE COMPETITIVENESS (Continued)

6. Green and Low-Carbon Development Edge

We made breakthroughs in low-carbon engineering and carbon management with remarkable green development achievements. The Company advanced key projects in green hydrogen, photovoltaic, and energy-efficient power generation. The hydrogen-based direct reduction iron metallization rate of the pilot green hydrogen fluidized bed line in Bayuquan reached 95%, and two 135MW high-efficiency power generation units completed grid-connected power generation. Multi-site photovoltaic projects achieved grid-connected power generation. The annual production of LNG (liquefied natural gas) from coke oven gas reached 110,000 tons. Strengthened carbon management and participated in carbon trading, we competed carbon verification and fulfilling the first-year carbon quota. Established a product carbon intelligence management platform and released two EPD (Environmental Product Declaration) reports. The Company conducted multiple EU CBAM (Carbon Border Adjustment Mechanism) carbon footprint assessments for export products. Low-carbon steel produced using green electricity and a high proportion of scrap steel was supplied to FAW-Volkswagen for the first time. Green steel cord steel has been delivered to customers for application, and the green and low-carbon transformation has been continuously deepened.

7. Advantages in Iron Ore Resource Security

We have abundant resource reserves with a solid and robust supply chain. The Anshan region boasts abundant iron ore reserves, providing stable and reliable resource support for the Company's operations and development. Angang Group Mining Company holds iron ore resources of 7.8 billion tons, with an annual ore dressing capacity of 65 million tons and an annual iron concentrate production capacity of 23 million tons, ranking first in China in terms of production scale. Additionally, in overseas market, Angang Group owns the Karara Iron Ore Base with an annual production capacity of 8 million tons and possesses strong capabilities in international iron ore trade.

IX. POTENTIAL RISKS

In 2026, China's iron and steel industry will still face a complex and severe internal and external environment. At the macro demand level, the recovery of the domestic real estate market is uncertain, the growth in steel demand from infrastructure and manufacturing is slowing down, and the overall steel demand will operate weakly. At the market competition level, the pressure of overcapacity in the industry remains, homogeneous competition intensifies, and the profit margin of products continues to be squeezed. At the external trade level, trade protectionism is on the rise, trade barriers such as the Carbon Border Adjustment Mechanism (CBAM) are increasing, making exports more difficult and compliance costs higher. At the green development level, rigid constraints such as dual control of energy consumption, ultra-low emissions, and carbon market performance are becoming stricter, and investment in environmental protection and low-carbon transformation is increasing.

The Company will adhere to the principle of seeking progress while maintaining stability, coordinate development and security, and actively respond to various risks and challenges. Firstly, optimize the product structure. Focus on high-end equipment, new energy, national major projects and other fields to increase the proportion of high-value-added products. Secondly, strengthen lean operations. Continuously promote cost reduction and efficiency improvement, optimize supply chain and fund management, and ensure the safety of cash flow. Thirdly, consolidate the market layout. Coordinate the domestic and international markets, deepen customer collaboration, expand service-oriented manufacturing, and enhance the market's risk resistance capacity. Fourthly, deepen green transformation. Increase investment in low-carbon metallurgy and energy efficiency improvement technologies, strictly control energy consumption and carbon emissions, and actively adapt to carbon market rules. Fifthly, adhere to the bottom line of compliance. Strengthen the construction of safety, environmental protection, legal and risk control systems to achieve high-quality and sustainable development.

X. DEVELOPMENT AND IMPLEMENTATION OF MARKET VALUE MANAGEMENT SYSTEM AND VALUATION ENHANCEMENT PLAN

Whether the Company has established a market value management system.

☐ Yes ☑ No

Whether the Company has disclosed any valuation enhancement plans.

☑ Yes ☐ No

X. DEVELOPMENT AND IMPLEMENTATION OF MARKET VALUE MANAGEMENT SYSTEM AND VALUATION ENHANCEMENT PLAN (Continued)

To enhance the Company's market value management level and promote the reasonable reflection of the Company's investment value in line with the quality of the listed company, in accordance with the requirements of the *Guidelines for Supervision of Listed Companies No. 10 – Market Value Management*, the Company has formulated the 2026 Valuation Enhancement Plan by combining its own actual situation, referencing the implementation effect of the 2025 Valuation Enhancement Plan and considering its future development strategy.

In 2026, the Company shall adopt the following specific measures:

1. Focus on the principal business and improve operational quality.

2. Accelerate industrial upgrading and enhance competitive advantages.

3. Improve the distribution system and share development outcomes.

4. Strengthen investor relations management and enhance capital market recognition.

5. Focus on investor concerns and improve the quality of information disclosure.

XI. IMPLEMENTATION OF THE "DUAL IMPROVEMENT OF QUALITY AND RETURN" ACTION PLAN

Whether the Company disclosed the "Dual Improvement of Quality and Return" Action Plan announcement.

☐ Yes ☑ No

Corporate Governance, Environment and Society

I. BASIC INFORMATION ON CORPORATE GOVERNANCE

In strict compliance with the requirements of the Company Law, the Securities Law, the relevant requirements of the CSRC, the Hong Kong Stock Exchange Listing Rules, the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, the Corporate Governance Code and the Guideline No. 1 of the Shenzhen Stock Exchange for Self-regulation of Listed Companies – Standardised Operation of Companies Listed on the Main Board, the Company has regulated its operations and established a comprehensive corporate governance system and an effective internal control system.

The Company's corporate governance practices did not have any significant deviation from the laws, administrative regulations and the regulations on corporate governance of listed companies issued by the CSRC.

II. THE INDEPENDENCE OF THE COMPANY FROM ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER IN TERMS OF ASSETS, PERSONNEL, FINANCE, ORGANISATIONS, BUSINESS AND OTHER ASPECTS

The Company is completely independent from its controlling shareholder in terms of business, personnel, assets, organisations, finance and other aspects. The Company is set up and operates in complete independence of its controlling shareholder in terms of business, personnel, assets, organisations, finance and other aspects, which is in conformity with the requirements of relevant laws and regulations. The Company has independent and complete business operations and possesses the capability for operating independently.

III. COMPETITION WITH PEERS IN THE INDUSTRY

Type of Problem	Type of Relationship with the Company	Name of Companies	Nature of Company	Cause of Problem	Solutions	Work Progress and Follow-up Plans
Peer competition	Other companies controlled by the actual controller of the Company	Bensteel Group Corporation Limited	Others	Restructuring of Bensteel Group Corporation Limited by Ansteel Group	Ansteel Group undertakes that it will, in accordance with the requirements of the relevant securities regulatory authorities, and on the premise of complying with the applicable laws and regulations and relevant regulatory rules at that time, comprehensively use asset reorganisation, business adjustment, entrusted management and other ways to steadily promote the integration of related businesses to solve the problem of horizontal competition in the industry within five years from the date of its Letter of Commitment, and it will strive to achieve this goal in an even shorter period of time.	No specific implementation plan yet
Peer competition	Other companies controlled by the actual controller of the Company	Lingyuan Iron & Steel Group Co., Ltd.	Others	Restructuring of Lingyuan Iron & Steel Group Co., Ltd. by Angang.	Ansteel Group undertakes that it will, in accordance with the requirements of the relevant securities regulatory authorities, and on the premise of complying with the applicable laws and regulations and relevant regulatory rules at that time, comprehensively use asset reorganisation, business adjustment, entrusted management and other ways to steadily promote the integration of related businesses to solve the problem of horizontal competition in the industry within five years from the date of its Letter of Commitment, and it will strive to achieve this goal in an even shorter period of time.	No specific implementation plan yet

IV. DIRECTORS AND SENIOR EXECUTIVES

(I) Basic Information

Name	Gender	Age	Position	Office holding status	Start Date of Term of Office	Termination date of term	Number of shares held at the beginning of the period *(shares)*	Number of shares increased in the current period *(shares)*	Number of shares decreased in the current period *(shares)*	Other increase or decrease *(shares)*	Number of shares held at the end of the period *(shares)*	Reasons for increase or decrease of shares
Wang Jun	Male	58	Chairman	Incumbent	2023.09.22							
			Executive Director	Incumbent	2023.09.22							
Tian Yong	Male	47	General Manager	Incumbent	2025.08.26		201,000		102,000		99,000	In accordance with the *2020 Restricted Stock Incentive Plan (Draft)*, the Company repurchased and cancelled some of the restricted shares that have not yet been released from restrictions.
			Executive Director	Incumbent	2025.09.19							
Zhao Zhongmin	Male	59	Employee Director	Incumbent	2025.07.28							
Li Jingdong	Male	49	Executive Director	Incumbent	2025.03.12							
			Deputy General Manager, Chief Accountant, Board Secretary	Incumbent	2025.02.11							
Tan Yuhai	Male	56	Independent Non-executive Director	Incumbent	2024.05.29							
Wang Wanglin	Male	51	Independent Non-executive Director	Resignation	2020.03.16	2026.03.16						
Zhu Keshi	Male	59	Independent Non-executive Director	Incumbent	2020.11.30							
Hu Caimei	Female	43	Independent Non-executive Director	Incumbent	2024.05.29							
Liu Chaojian	Male	60	Independent Non-executive Director	Incumbent	2025.07.28							
Zhang Hua	Male	45	Deputy General Manager	Incumbent	2023.08.28							
He Tianqing	Male	47	Deputy General Manager	Incumbent	2024.04.29		102,000		102,000		0	In accordance with the *2020 Restricted Stock Incentive Plan (Draft)*, the Company repurchased and cancelled some of the restricted shares that have not yet been released from restrictions.
Yu Haolan	Male	56	Deputy General Manager	Incumbent	2024.11.14							
Wang Baojun	Male	59	Executive Director	Resignation	2021.05.07	2025.02.11	177,885				–	
			Deputy General Manager, Chief Accountant	Resignation	2021.03.16	2025.02.11					N/A	
			Board Secretary	Resignation	2021.06.16	2025.02.11						
Zhang Hongjun	Male	52	Executive Director	Resignation	2023.03.22	2025.08.25	132,000				N/A	
			General Manager	Resignation	2022.12.29	2025.08.25						
Deng Qiang	Male	49	Executive Director	Resignation	2024.05.29	2025.07.28						
			Deputy General Manager	Resignation	2024.04.29	2025.08.25						
Wang Jianhua	Male	52	Independent Non executive Director	Resignation	2019.05.28	2025.07.28						

Note: Shares held by Directors and the senior management stated above are all A Shares.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(I) Basic Information (Continued)

1. Directors, Supervisors and senior management's interests and short positions in the shares, underlying shares and debentures of the Company

   Save as disclosed above, as at 31 December 2025, none of the Directors and senior management of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong) that were required to be included in the register kept pursuant to Section 352 of the Securities and Futures Ordinance of Hong Kong, or that were required to be notified to the Company and the Hong Kong Stock Exchange in accordance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules of the HKEX. Neither did any of them have any arrangement involving the Company, its subsidiaries, Angang or Angang's subsidiaries, the purpose of which is to enable the Directors of the Company to obtain benefits through the acquisition of shares or bonds of the Company or any other legal entity.

2. Resignation of directors and dismissal of senior management within their term of office during the Reporting Period

   ☑ Yes ☐ No

   Due to a change in work assignments, Mr. Wang Baojun resigned from his positions as Executive Director, Deputy General Manager, Chief Accountant, Company Secretary, Joint Company Secretary and Authorized Representative of the Company on 11 February 2025.

   Due to the expiration of his 6-year term of office, Mr. Wang Jianhua left his office as Independent Non-Executive Director and a member of the board committees of the Company on 28 July 2025.

   Due to the expiration of the term of office of the Ninth Board of Directors, Mr. Deng Qiang left his office as Executive Director and a member of the board committees of the Company on 28 July 2025.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(I) Basic Information (Continued)

2. Resignation of directors and dismissal of senior management within their term of office during the Reporting Period (Continued)

Due to a change in work assignments, Mr. Zhang Hongjun resigned from his positions as Executive Director, General Manager and a member of the board committees of the Company on 25 August 2025.

Due to a change in work assignments, Mr. Deng Qiang resigned from his position as Deputy General Manager of the Company on 25 August 2025.

Due to the expiration of his 6-year term of office, Mr. Wang Wanglin left his office as Independent Non-Executive Director and a member of the board committees of the Company on 16 March 2026.

3. Changes of Directors and Senior Management

Name	Position Held	Type	Date	Reason
Wang Baojun	Executive Director	Departure	11 February 2025	Work Transfer
	Deputy General Manager, Chief Accountant, Secretary of the Board	Termination	11 February 2025	Work Transfer
Li Jingdong	Executive Director	Election	12 March 2025	–
	Deputy General Manager, Chief Accountant, Board Secretary	Appointment	11 February 2025	–
Wang Jianhua	Independent Non-Executive Director	Departure	28 July 2025	Departure upon expiration of 6-year term of office
Liu Chaojian	Independent Non-Executive Director	Election	28 July 2025	–
Zhao Zhongmin	Employee Director	Election	28 July 2025	–
Deng Qiang	Executive Director	Departure	28 July 2025	Board Re-election
	Deputy General Manager	Termination	25 August 2025	Work Transfer
Zhang Hongjun	General Manager	Termination	25 August 2025	Work Transfer
	Executive Director	Departure	25 August 2025	Work Transfer
Tian Yong	General Manager	Appointment	26 August 2025	–
	Executive Director	Election	19 September 2025	–
Wang Wanglin	Independent Non-Executive Director	Departure	16 March 2026	Departure upon expiration of 6-year term of office

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(I) Basic Information (Continued)

3. Changes of Directors and Senior Management (Continued)

Mr. Li Jingdong obtained the legal opinion as referred to in Rule 3.09D of the Listing Rules of the HKEX on 12 March 2025 and confirmed that he understands his responsibilities as a Director.

Mr. Liu Chaojian obtained the legal opinion as referred to in Rule 3.09D of the Listing Rules of the HKEX on 28 July 2025 and confirmed that he understands his responsibilities as a Director.

Mr. Zhao Zhongmin obtained the legal opinion as referred to in Rule 3.09D of the Listing Rules of the HKEX on 28 July 2025 and confirmed that he understands his responsibilities as a Director.

Mr. Tian Yong obtained the legal opinion as referred to in Rule 3.09D of the Listing Rules of the HKEX on 19 September 2025 and confirmed that he understands his responsibilities as a Director.

(II) Employment Information

1. Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company

Members of the Board

Executive Directors:

Mr. Wang Jun, Chairman, Executive Director and Secretary of the Party Committee of the Company, Party Committee Secretary and Chairman of Angang Holding, and a senior engineer (professor and research level). Mr. Wang Jun received a bachelor's degree in iron and steel metallurgy and a master's degree in iron and steel metallurgy from Northeastern University, and a doctorate degree in iron and steel metallurgy from Northeastern University. Mr. Wang Jun joined Angang Holding in 1990 and served as the director of the Company's Main Steel Smelting Plant, the manager of Bayuquan Steel Branch Company, the general manager of Angang Strategic Planning Department, and the director, general manager, and deputy secretary of the Party Committee of Bensteel Group Corporation Limited of Ansteel Group.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

1. Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company (Continued)

Members of the Board (Continued)

Executive Directors: (Continued)

Mr. Tian Yong, Executive Director, general manager and Deputy secretary of the Party Committee of the Company, as well as director, general manager and deputy secretary of the Party Committee of Anshan Iron and Steel Group Corporation. He holds the title of Professor-level Senior Engineer. Mr. Tian obtained a bachelor of engineering degree in thermal power engineering, a master of engineering degree in power engineering and engineering thermophysics, and a doctor of engineering degree in power engineering and engineering thermophysics, all from Tsinghua University. His previous positions include director and deputy secretary of the Party Committee of the General Steelmaking Plant of the Company; director, general manager and deputy secretary of the Party Committee of Anshan Iron and Steel Group Chaoyang Iron and Steel Co., Ltd.; director and deputy general manager of the Company; deputy general manager and later general manager of the strategic planning department of Anshan Iron and Steel Group Co., Ltd.; and director of Lingyuan Iron and Steel Group Co., Ltd.

Mr. Li Jingdong, Executive Director, deputy general manager, chief accountant and secretary of the Board of the Company, as well as member of the standing committee of the Party Committee of Anshan Iron and Steel Group Corporation. He holds the title of senior accountant and a master's degree. Mr. Li has been engaged in work since 2001.His previous positions include deputy general manager of the finance department of Anshan Iron and Steel Group Co., Ltd.; director of the financial shared service center of Anshan Iron and Steel Group Co., Ltd.; and member of the standing committee of the Party Committee of Lingyuan Iron and Steel Group Co., Ltd., concurrently serving as director, deputy general manager and chief accountant of Lingyuan Iron and Steel Co., Ltd.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

1. Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company (Continued)

Members of the Board (Continued)

Employee Director:

Mr. Zhao Zhongmin, Employee Director, deputy secretary of the Party Committee and chairman of the labour union of the Company, as well as deputy secretary of the Party Committee, chairman of the labour union and employee director of Anshan Iron and Steel Group Corporation. He holds the title of senior economist and a master's degree. His previous positions include director and deputy secretary of the Party Committee of Anshan Iron and Steel Group Benxi Iron and Steel Group Co., Ltd.; deputy secretary of the Party Committee, chairman of the labour union and employee director of Anshan Iron and Steel Group Mining Co., Ltd.; and deputy leader of the Party Committee preparatory group and leader of the labour union preparatory group of Anshan Iron and Steel Resources Co., Ltd.

Non-executive Director:

Mr. Tan Yuhai is a non-executive director of the Company, and concurrently an incumbent full-time directorof the Angang Board Office, and senior engineer. Mr. Tan Yuhai received his Bachelor of Engineering degree in High Voltage Technology and Equipment from Xi'an Jiaotong University and his Master of Mechanical Engineering degree from Dalian University of Technology. Mr. Tan Yuhai joined Angang Mining Company in 1993 and served as manager of Angang Group Railway Transportation Equipment Manufacturing Company, deputy secretary of the Discipline Inspection Commission and director of the Discipline Inspection and Audit Department of Angang Group Engineering Technology Development Co., Ltd., secretary of the Discipline Inspection Commission of Angang Heavy Machine Co., Ltd., and secretary of the Discipline Inspection Commission of Angang Construction Group Co., Ltd./Angang Real Estate Development Group Co., Ltd.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

1. Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company (Continued)

   Members of the Board (Continued)

   Independent Non-executive Directors:

   Mr. Zhu Keshi, an independent Non-executive Director of the Company, a professor of Beijing National Accounting Institute, researcher level Senior Certified Public Accountant, and a China Certified Tax Agent. Mr. Zhu obtained a master's degree in accounting from Liaoning University, a master's degree in finance from the University New South Wales, Australia, and a doctorate degree in finance from Renmin University of China. Mr. Zhu was a senior accountant of the International Taxation Research Institute under the State Administration of Taxation, the chief accountant of Beijing Aerospace Online Technology Co., Ltd. of Aisino, the head of the Research Institute of Coordination Strategy of Fiscal and Financial Policy under Beijing National Accounting Institute, an independent director of Liaoning Energy Coal and Electricity Industry Co., Ltd., an independent director of Shenyang Lanying Industrial Automation Equipment Co., Ltd. and an independent director of Xizi Clean Energy Equipment Manufacturing Co., LtdMr. Zhu currently serves as an independent director of Toread Holdings Group Co., Ltd. and Hengxin Xili Industry Co., Ltd., and a supervisor of Jiuhengxing Technology Co., Ltd. (a company listed on the National Equities Exchange and Quotations).

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

1. Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company (Continued)

Members of the Board (Continued)

Ms. Hu Caimei, independent non-executive director and senior researcher of the Company, high-level talent in Shenzhen, and the incumbent director of the Institute of Financial Development and State-owned Enterprises of China Development Institute (Shenzhen, China). Ms. Hu Caimei received her Bachelor of Science in Management from Heilongjiang Institute of Science and Technology, a Master of Science in Business Administration from Heilongjiang University of Science and Technology, and a Doctor of Science in Technology Economics and Management from Jilin University. Ms. Hu Caimei joined Heilongjiang University of Science and Technology in 2004.She has served as a teacher at the School of Economics and Management of Heilongjiang University of Science and Technology, a postdoctoral fellow at the China Development Institute (Shenzhen, China), and deputy director of the Institute of Finance and Modern Industry of the China Development Institute (Shenzhen, China). Ms. Hu Caimei currently serves as an independent director of Shenzhen Property Development (Group) Co., Ltd.

Mr. Liu Chaojian, Independent Non-Executive Director of the Company and holds the title of senior Engineer. He obtained a bachelor of engineering degree in metal forming from Xi'an Metallurgical and Architectural Institute. His previous positions include deputy director of the steel rolling department of Metallurgical Industry Planning and Research Institute; director of the steel rolling department of Metallurgical Industry Planning and Research Institute; chief designer and director of the comprehensive department of Metallurgical Industry Planning and Research Institute; and deputy chief engineer of Metallurgical Industry Planning and Research Institute. Currently, Mr. Liu concurrently serves as independent director of Gansu Jiuquan Iron and Steel (Group) Hongxing Iron and Steel Co., Ltd. and Fujian Sansteel MinGuang Co., Ltd.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

1. Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company (Continued)

Other Senior Management Members

Mr. Zhanghua, Deputy General Manager, a member of the Standing Committee of the Party Committee of the Company, a member of the Standing Committee of the Party Committee and a director of Angang Holding, and a professor-level senior engineer. Mr. Zhang received his bachelor's degree in metal pressure processing from Anshan University of Science and Technology and his master's degree in Materials Engineering from University of Science and Technology Beijing. Mr. Zhang joined Angang Holding in 2002 and has served as deputy director of the Company's Hot Roll Plant, director and deputy secretary of the Party Committee of the Company's Hot Roll Plant, deputy general manager of the Company's Marketing Centre (responsible for daily operations), and deputy general manager of Angang Strategic Planning Department.

Mr. He Tianqing, Deputy General Manager and member of the Standing Committee of the Party Committee of the Company, member of the Standing Committee of the Party Committee, and senior engineer of Angang Holding. Mr. He Tianqing received his Bachelor of Engineering degree in the major of Mechanical Design and Manufacturing from Anshan Iron and Steel Institute and his Master of Engineering degree in Mechanical Engineering from Liaoning University of Science and Technology. Mr. He Tianqing started working in 2000 and has served as the Deputy General Manager of Anshan Iron and Steel Group Chaoyang Iron and Steel Co., Ltd., General Manager of System Innovation Department of the Company, General Manager of Digital Development Department, and General Manager of Equipment Engineering Department (Equipment Management Center).

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

1. Professional background, major work experiences and duties of the incumbent Directors and senior management members of the Company (Continued)

   Other Senior Management Members (Continued)

   Mr. Yu Haolan, Deputy General Manager, member of the Standing Committee of the Party Committee of the Company, member of the Standing Committee and engineer of the Party Committee of Angang Holding. Mr. Yu Haolan received his Bachelor of Engineering degree in the major of Industrial Electrical Automation from Chengdu University of Science and Technology and an Executive MBA degree from the Arlington College of Business at the University of Texas. Mr. Yu Haolan started working in 1991. He had served as Assistant General Manager (Chief Marketing Director) of Pangang Group Co., Ltd., Party Secretary, Executive Director and General Manager of Pangang Group International Economic and Trade Co., Ltd., Chairman of Chengdu Jiwei IoT Group Co., Ltd., Chairman of Pangang Group Jiangyou Great Wall Special Steel Co., Ltd., Chairman of Chengdu Western IoT Group Co., Ltd., Chairman of Pangang Group Panzhihua Kunniu Logistics Co., Ltd., Party Secretary, Director and Chairman of Pangang Group Xichang Steel and Vanadium Co., Ltd., Party Secretary and Chairman of Pangang Group Xichang Steel and Vanadium Co., Ltd.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

2. Positions at the Shareholders of the Company

Name of the personnel who held position	Name of the shareholder	Position at the shareholder	Position Name of the shareholder Position at the shareholder	Termination date of term	Position Name of the shareholder Position at the shareholder Commencement date of term Termination date of term
Wang Jun	Anshan Holding	Secretary of the Party Committee, Chairman of the Board	2023.08	–	No
Tian Yong	Anshan Holding	Deputy Secretary of the Party Committee, Director	2025.08	–	No
		General Manager	2025.10	–	No
Zhao Zhongmin	Anshan Holding	Deputy Secretary of the Party Committee, Chairman of the Trade Union, Employee Director	2024.03	–	No
Li Jingdong	Anshan Holding	Member of the Standing Committee of the Party Committee	2025.01	–	No
Tan Yuhai	Anshan Holding	Full-time Director, Supervisor	2020.03	–	Yes
	Anshan Iron and Steel	External Director	2023.04	–	No
Zhang Hua	Anshan Holding	Member of the Standing Committee of the Party Committee, Director	2023.08	–	No
He Tianqing	Anshan Holding	Member of the Standing Committee of the Party Committee	2024.03	–	No
Yu Haolan	Anshan Holding	Member of the Standing Committee of the Party Committee	2024.10	–	No
Note on positions at the shareholders of the company	In March 2023, the Department of Listed Company Supervision of the China Securities Regulatory Commission issued the *Letter on Approving the Waiver of Restrictions on Concurrent Positions of Senior Management of Anshan Iron and Steel Group Co., Ltd.*, approving the waiver of the restriction on Mr. Zhang Hongjun, the Company's General Manager, concurrently holding the position of General Manager of Anshan Iron and Steel Group Corporation. In October 2025, the Department of Listed Company Supervision of the China Securities Regulatory Commission issued the *Letter on Approving the Waiver of Restrictions on Concurrent Positions of Senior Management of Anshan Iron and Steel Group Co., Ltd.*, approving the waiver of the restriction on Mr. Tian Yong, the Company's General Manager, concurrently holding the position of General Manager of Anshan Iron and Steel Group Corporation. The Independent Directors of the Company are of the opinion that: during the period of concurrently holding the position of General Manager of Anshan Iron and Steel Group Corporation, Mr. Zhang Hongjun, the former General Manager of the Company, and Mr. Tian Yong, the current General Manager of the Company, have all strictly abided by their commitments, performed their duties diligently and faithfully in strict accordance with the requirements of the *Company Law*, the *Securities Law* and the relevant laws and regulations, prioritized the performance of their duties as senior management of the Company, properly handled the relationship between the Company and Anshan Iron and Steel Group Corporation, the controlling shareholder, and did not harm the interests of the Company and its minority shareholders due to the aforesaid concurrent positions.				

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

3. Positions at other organisations

Name of the personnel who held position	Name of the organisation	Position in the organisation	Commencement date of term	Termination date of term	Receipt of remuneration and allowance in other organisations
Tan Yuhai	Angang Group Zhongyuan Industry Development Co., Ltd.	External director	2020.04	–	No
	Heyi Real Estate Co., Ltd.	External director	2021.02	–	No
Zhu Keshi	Beijing National Accounting Institute	Professor	2013.07	–	Yes
	Toread Holdings Group Co., Ltd.	Independent director	2021.12	–	Yes
	Beijing Jiuhangxing Technology Co., Ltd. (Listed on the NEEQ)	Supervisor	2023.05	–	Yes
	Beijing Join-Cheer Software Co., Ltd.	Independent director	2024.12	–	Yes
Hu Caimei	Institute of Financial Development and State-owned Asset & Enterprise Research, China Development Institute (Shenzhen)	Director	2022.09	–	Yes
	Shenzhen Property Development (Group) Co., Ltd.	Independent director	2021.09	–	Yes
Liu Chaojian	Gansu Jiuquan Iron and Steel (Group) Hongxing Iron and Steel Co., Ltd.	Independent director	2024.05	–	Yes
	Fujian Sansteel Minguang Co., Ltd.	Independent director	2026.01	–	Yes
Note on positions in other organisations	–				

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(II) Employment Information (Continued)

4. Penalties imposed by securities regulators on the current and outgoing Directors, and senior management of the Company in the past three years

☐ Applicable ☑ Not applicable

(III) Emoluments of Directors and senior management

1. Decision-making procedures, determination basis and actual payment of remuneration for Directors and senior management

   The emoluments of the Company's Directors and senior management is proposed by the Remuneration and Appraisal Committee of the Board. After discussion and approval by the Board, it is submitted to the Shareholders' Meeting for approval and decision. The emoluments are determined on the basis of the operating conditions of the Company and the emoluments of those of similar domestic enterprises.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(III) Emoluments of Directors and senior management (Continued)

2. Emoluments of Directors and senior management of the Company during the Reporting Period

Name	Gender	Age	Position	Current employment status	Total pre-tax remuneration received from the company *(RMB 0,000)*	Whether remuneration is received from the company's related parties during the tenure
Wang Jun	Male	58	Chairman, Executive Director	Incumbent	57.16	No
Tian Yong	Male	47	Executive Director, General Manager	Incumbent	10.49	No
Zhao Zhongmin	Male	59	Employee Director	Incumbent	11.31	No
Li Jingdong	Male	49	Executive Director, Deputy General Manager	Incumbent	25.32	No
Tan Yuhai	Male	56	Non-Executive Director	Incumbent		Yes
Wang Wanglin	Male	51	Independent Non-Executive Director	Departed	12.00	No
Zhu Keshi	Male	59	Independent Non-Executive Director	Incumbent	12.00	No
Hu Caimei	Female	43	Independent Non-Executive Director	Incumbent	12.00	No
Liu Chaojian	Male	60	Independent Non-Executive Director	Incumbent	6.00	No
Zhang Hua	Male	45	Deputy General Manager	Incumbent	54.64	No
He Tianqing	Male	47	Deputy General Manager	Incumbent	51.71	No
Yu Haolan	Male	56	Deputy General Manager	Incumbent	32.89	No
Zhang Hongjun	Male	52	Executive Director, General Manager	Departed	21.33	No
Wang Baojun	Male	59	Executive Director, Deputy General Manager, Chief Accountant, Secretary of the Board	Departed	1.64	No
Deng Qiang	Male	49	Executive Director, Deputy General Manager	Departed	20.31	No
Wang Jianhua	Male	52	Independent Non-Executive Director	Departed	7.00	No
Total	–	–	–	–	335.80	–

Note: The above remuneration does not include other compensation costs accrued by the Company, such as insurance premiums, welfare funds, and education surcharges. Among them, the remuneration of Executive Directors, Employee Directors, and Senior Management is the total amount of 2025 post-performance salary and 2024 annual risk salary received during their tenure as Directors and Senior Management of the Company.

IV. DIRECTORS AND SENIOR EXECUTIVES (Continued)

(III) Emoluments of Directors and senior management (Continued)

2. Emoluments of Directors and senior management of the Company during the Reporting Period (Continued)

Assessment Basis for the Actual Remuneration Received by All Directors and Senior Management at the End of the Reporting Period	Executive Directors, Employee Directors, and Senior Management are subject to the Company's relevant remuneration and assessment management systems; the assessment is not applicable to Independent Non-Executive Directors and Non-Executive Directors.
Completion of the Assessment for the Actual Remuneration Received by All Directors and Senior Management at the End of the Reporting Period	The assessment has been completed by Executive Directors, Employee Directors, and Senior Management; the assessment is not applicable to Independent Non-Executive Directors and Non-Executive Directors.
Deferred Payment Arrangements for the Actual Remuneration Received by All Directors and Senior Management at the End of the Reporting Period	Not Applicable
Suspension and Recovery of the Actual Remuneration Received by All Directors and Senior Management at the End of the Reporting Period	Not Applicable

Additional Explanations:

The overall remuneration of the Company's Directors and senior management in 2025 decreased compared with that in 2024.Among them, the remuneration of some Directors and senior management in 2025 was higher than that in 2024 due to the different durations of their tenure as Directors and senior management in the relevant years.

V. PERFORMANCE OF DUTIES BY DIRECTORS DURING THE REPORTING PERIOD

(I) Attendance of Directors at Board Meetings and General Meetings During the Reporting Period

	Attendance of Directors at Board Meetings and General Meetings						
Name of director	Number of board meetings required to attend during the reporting period	Number of board meetings attended in person	Number of board meetings attended via communication	Number of board meetings attended by proxy	Number of board meetings absented	Whether failed to attend board meetings in person for two consecutive times	Number of general meetings attended
Wang Jun	8	5	3				2
Tian Yong	2	1	1				–
Zhao Zhongmin	4	2	1	1			1
Li Jingdong	7	5	2				3
Tan Yuhai	8	4	4				4
Wang Wanglin	8	2	6				4
Zhu Keshi	8	2	6				4
Hu Caimei	8	2	6				4
Liu Chaojian	4	2	2				1
Zhang Hongjun	5	3	2				1
Wang Baojun	0						–
Deng Qiang	4	1	2	1			3
Wang Jianhua	4	1	3				2

(II) Objections Raised by Directors on Relevant Matters of the Company

Whether Directors Raised Objections on Relevant Matters of the Company

☐ Yes ☑ No

No objections were raised by Directors on relevant matters of the Company during the reporting period.

V. PERFORMANCE OF DUTIES BY DIRECTORS DURING THE REPORTING PERIOD (Continued)

(III) Additional Explanations on the Performance of Duties by Directors

Whether the Suggestions of Directors on the Company Were Adopted

☑ Yes ☐ No

Explanations on the Adoption or Non-Adoption of Directors' Suggestions on the Company:

During the Reporting Period, the Company's Directors performed their duties in strict accordance with the relevant laws, regulations, the *Articles of Association of the Company*, the *Working System for Independent Directors* and other relevant provisions. They attended the Board Meetings and General Meetings held during the year on time, carefully reviewed various proposals, objectively expressed their views and opinions, and made independent and impartial judgments by utilizing their professional knowledge. They understood the Company's operating conditions, the construction of internal control, and the implementation of resolutions of the Board, put forward reasonable opinions and suggestions for the Company's operation and development, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of all shareholders, especially minority shareholders.

VI. SITUATION OF SPECIAL COMMITTEES UNDER THE BOARD DURING THE REPORTING PERIOD

Name of Committee	Membership	Number of Meetings Held	Date of Meeting	Meeting Content	Important Opinions and Suggestions Proposed	Other Situation of Performing Duties	Specific Situation of Objection Matters (if any)
Strategy Committee	Chairman: Wang Jun Members: Zhang Hongjun, Wang Jianhua, Wang Wanglin, Zhu Keshi, Hu Caimei, Tan Yuhai	2	27 March 2025	1. Adopted the proposal on the *2024 Social Responsibility Report and Environmental, Social and Governance Report of Angang Steel* Company Limited. 2. Adopted the proposal on revising the Angang Steel Comprehensive Risk and Internal Control Management Measures. 3. Adopted the 2025 Major Operational Risk Assessment Report of Angang Steel Company Limited. 4. Adopted the 2024 Internal Control System Work Report of Angang Steel Company Limited. 5. Adopted the proposal on formulating the Terms of Reference of the Strategy Committee of Angang Steel Company Limited.	–	–	–
	Chairman: Wang Jun Members: Tian Yong, Wang Wanglin, Zhu Keshi, Hu Caimei, Liu Chaojian, Tan Yuhai		26 August 2025	Adopted the proposal on revising the *Terms of Reference of the Strategy Committee of Angang Steel Company Limited*.	–	–	–
Nomination Committee	Chairman: Wang Jianhua Members: Wang Jun, Deng Qiang, Wang Wanglin, Zhu Keshi, Hu Caimei, Tan Yuhai	4	11 February 2025	1. Adopted the proposal on nominating Mr. Li Jingdong as Deputy General Manager, Chief Accountant, and Secretary of the Board of the Company. 2. Adopted the proposal on nominating Mr. Li Jingdong as a candidate for Executive Director of the 9th Board of Directors of the Company. 3. Adopted the proposal on nominating Mr. Li Jingdong as Joint Company Secretary.	–	–	–
			27 March 2025	1. Adopted the *Opinions on the Structur*e and Composition of the Board of Angang Steel Company Limited. 2. Adopted the Special Report on the Self-Inspection of the Independence of Independent Non-Executive Directors.	–	–	
			30 June 2025	Adopted the proposal on recommending candidates for Directors of the 10th Board of Directors of the Company.	–	–	

VI. SITUATION OF SPECIAL COMMITTEES UNDER THE BOARD DURING THE REPORTING PERIOD (Continued)

Name of Committee	Membership	Number of Meetings Held	Date of Meeting	Meeting Content	Important Opinions and Suggestions Proposed	Other Situation of Performing Duties	Specific Situation of Objection Matters (if any)
	Chairman: Liu Chaojian Members: Wang Jun, Zhu Keshi, Hu Caimei, Tan Yuhai		26 August 2025	1. Adopted the proposal on nominating Mr. Tian Yong as General Manager of the Company. 2. Adopted the proposal on recommending nominating Mr. Tian Yong as Executive Director of the 10th Board of Directors of the Company. 3. Adopted the proposal on revising the *Terms of Reference of the Nomination Committee*.	–	–	–
Remuneration and Appraisal Committee	Chairman: Hu Caimei Members: Wang Jun, Wang Jianhua, Wang Wanglin, Zhu Keshi, Tan Yuhai	4	11 February 2025	Adopted the proposal on the 2024–2026 term operating performance assessment indicators for the management of Angang Steel Company Limited.	–	–	–
			27 March 2025	Adopted the *2024 Remuneration Plan* for Directors and Senior Management of the Company.	–	–	
			30 June 2025	Adopted the proposal on the 2025 operating performance evaluation method for Senior Management of Angang Steel Company Limited.	–	–	
	Chairman: Hu Caimei Members: Wang Jun, Zhu Keshi, Liu Chaojian, Tan Yuhai		26 August 2025	Adopted the proposal on revising the *Terms of Reference of the Remuneration and Appraisal Committee*.	–	–	–
Audit and Risk Committee	Chairman: Zhu Keshi Members: Wang Jianhua, Wang Wanglin, Hu Caimei, Tan Yuhai	8	16 January 2025	Heard the *Report on the 2024 Annual Report Audit Plan of Angang Steel Company Limited* from BDO China Shu Lun Pan Certified Public Accountants LLP.	–	–	–
			11 February 2025	Adopted the proposal on the Company's intention to hire a Chief Accountant.	–	–	
			7 March 2025	Heard the *Report on Audit-Relate*d Matters of Angang Steel Company Limited from BDO China Shu Lun Pan Certified Public Accountants LLP.	–	–	

VI. SITUATION OF SPECIAL COMMITTEES UNDER THE BOARD DURING THE REPORTING PERIOD (Continued)

Name of Committee	Membership	Number of Meetings Held	Date of Meeting	Meeting Content	Important Opinions and Suggestions Proposed	Other Situation of Performing Duties	Specific Situation of Objection Matters (if any)
			27 March 2025	1. Adopted the proposal on the change of accounting policies of Angang Steel Company Limited. 2. Adopted the proposal on provision for inventory impairment. 3. Adopted the *2024 Financial* Report and Relevant Financial Information in the 2024 Annual Report. 4. Adopted the 2024 Profit Distribution Proposal. 5. Adopted the proposal on appointing BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's auditor for 2025. 6. Adopted the 2024 Internal Control Evaluation Report of Angang Steel Company Limited. 7. Adopted the 2024 Internal Audit Work Report and 2025 Work Plan of Angang Steel. 8. Adopted the Performance Evaluation Report on BDO China Shu Lun Pan Certified Public Accountants LLP of Angang Steel Company Limited. 9. Adopted the Report on the Supervision of the Performance of Duties by BDO China Shu Lun Pan Certified Public Accountants LLP by the Audit and Risk Committee. 10. Adopted the proposal on revising the Terms of Reference of the Audit and Risk Committee of Angang Steel. 11. Adopted the 2024 Compliance Work Report of Angang Steel Company Limited.	–	–	
			29 April 2025	1. Adopted the *2025 Q1 Financial Stat*ements and Relevant Financial Information in the 2025 Q1 Report. 2. Adopted the 2025 Q1 Work Summary and Q2 Work Plan of the Audit Department of Angang Steel.	–	–	

VI. SITUATION OF SPECIAL COMMITTEES UNDER THE BOARD DURING THE REPORTING PERIOD (Continued)

Name of Committee	Membership	Number of Meetings Held	Date of Meeting	Meeting Content	Important Opinions and Suggestions Proposed	Other Situation of Performing Duties	Specific Situation of Objection Matters (if any)
	Chairman: Zhu Keshi Members: Hu Caimei, Liu Chaojian, Zhao Zhongmin, Tan Yuhai		26 August 2025	1. Adopted the *2025 Semi-Annual Financial Report and Financial Information in the 2025 Semi-Annual Report*. 2. Adopted the 2025 H1 Work Summary and H2 Work Plan of the Audit Department of Angang Steel. 3. Adopted the proposal on revising the Terms of Reference of the Audit and Risk Committee (Oversight Committee) of Angang Steel.	–	–	–
			28 October 2025	1. Adopted the *2025 Q3 Financial S*tatements and Relevant Financial Information in the 2025 Q3 Report. 2. Adopted the 2025 Q3 Work Summary and Q4 Work Plan of the Audit Department of Angang Steel.	–	–	
			23 December 2025	Adopted the *2025 Internal Control Eva*luation Work Plan of Angang Steel Company Limited.	–	–	
Special Meeting of Independent Directors	Chairman: Wang Wanglin Members: Zhu Keshi, Hu Caimei, Liu Chaojian, Wang Jianhua	2	27 March 2025	1. Adopted the proposal on increasing capital to Energy Technology for the Lingang Coke Oven Gas to LNG Project. 2. Adopted the proposal on 2024 daily connected transactions. 3. Adopted the proposal on estimating 2025 daily connected transactions. 4. Adopted the *Risk Assessment Report of Angang Group Finance Co., Ltd*. 5. Adopted the proposal on the joint investment and establishment of a joint venture company by Angang Green Gold Industry Development Co., Ltd. and Benxi Iron and Steel Plate Co., Ltd. 6. Adopted the Report on the Performance of Duties by the General Manager of Angang Steel During the Concurrent Tenure.	–	–	–
			26 August 2025	Adopted the *Risk Assessment* Report of Angang Group Finance Co., Ltd.	–	–	

VII. WORK SITUATION OF THE AUDIT AND RISK COMMITTEE

Whether the Audit and Risk Committee Identified Risks in the Company During the Supervision Activities in the Reporting Period

☐ Yes ☑ No

The Audit and Risk Committee has no objections to the supervision matters during the reporting period.

VIII. EMPLOYEES

(I) Number of employees, specialty composition and education level

Number of current employees in the Company as at the end of the Reporting Period *(person)*	20,524
Number of current employees in major subsidiaries as at the end of the Reporting Period *(person)*	3,466
Total number of current employees as at the end of the Reporting Period *(person)*	23,990
Total number of employees receiving remuneration during the Reporting Period *(person)*	23,990
Number of ex-employees or retired employees for which the Company and the major subsidiaries have obligations *(person)*	–

Specialty composition

Category of specialty composition	**Number of people** *(person)*
Production	17,319
Sales	380
Technical	4,096
Financial	137
Administration	1,122
Others	936
Total	23,990

VIII. EMPLOYEES (Continued)

(I) Number of employees, specialty composition and education level (Continued)

Education level

Category of education level	**Number of people** *(person)*
Bachelor's degree and above	9,706
Post-secondary	7,159
Technical secondary school	6,694
Others	431
Total	23,990

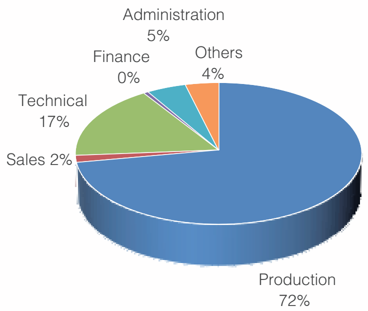
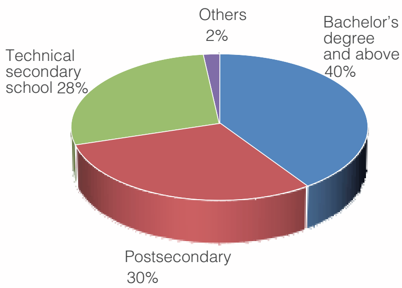


Figure of category of specialty composition



Composition of Education Level

(II) Remuneration policy

The Company has adopted "base salary + annual profit-linked salary + performance-linked award + tenure incentive" packages for the senior management; the allocation method of "base salary + annual merit salary + allowance + performance bonus + R&D bonus" remuneration packages for scientific research positions; "base salary + annual merit salary + allowance + performance bonus + profit-linked bonus" remuneration packages for sales personnel; and position-and-performance based remuneration packages for other personnel. The Company implemented the Restricted Share Incentive Scheme for Directors, the senior management and core technical (business) staff of the Company in 2020, and as at 28 February 2025, all restricted shares have been listed and traded or repurchased and cancelled.

VIII. EMPLOYEES (Continued)

(III) Training programmes

In 2025, to meet the higher requirements for employees' quality and capabilities to support the Company's high-quality development, comprehensively enhance employees' technical expertise, professional skills and comprehensive capabilities, and in combination with the actual production and operation of the Company, the Company further promoted special talent training and skills competitions targeting new college recruits, "dual carbon", digitalization, energy management, lean management, internationalization, financial management, and skilled talents. Throughout the year, the Company completed 1,905 person-times of commissioned training, 2,659 person-times of key special training, and 22,388 person-times of job knowledge and job skills training for grassroots units, with the rate of employees holding certificates reaching 100%.

(IV) Labour outsourcing

☐ Applicable ☑ Not applicable

IX. PROFIT DISTRIBUTION AND TRANSFER OF RESERVE TO SHARE CAPITAL OF THE COMPANY

Formulation, execution and adjustments of the profit distribution policies, especially the cash dividend distribution policy, during the Reporting Period

☑ Applicable ☐ Not applicable

Special Explanation of the Policy of Distribution of Cash Dividend	
Whether it complies with the provisions of the Articles of Association or requirements of the resolutions of the Company's general meetings:	Yes
Whether the standards and ratio of dividends are clear and definite:	Yes, for details, please refer to the Articles of Association of the Company
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether the independent directors have tried their best to perform their duties and duly fulfilled their roles:	Yes
If the Company has not made cash dividends, it should disclose the specific reasons and the next steps it intends to take to enhance investor returns:	Due to the loss of the Company in 2025, taking full consideration of the Company's development and capital demands, the Company decided not to pay cash dividends, not to issue bonus shares, and not to convert capital reserves into shares in 2025 to better safeguard the Company's sustainable development and long-term interests of all shareholders. The Company will continue to deepen reform and innovation and strive to raise its profitability to return investors with better results.
Whether the minority shareholders have sufficient opportunities to express their views and appeals and whether their legitimate rights and interests are adequately protected:	Yes
Whether the premises and procedures for the revisions and changes, if any, of the cash dividend distribution policy are compliant with relevant provisions and transparent:	N/A

IX. PROFIT DISTRIBUTION AND TRANSFER OF RESERVE TO SHARE CAPITAL OF THE COMPANY (Continued)

Formulation, execution and adjustments of the profit distribution policies, especially the cash dividend distribution policy, during the Reporting Period (Continued)

The Company has not proposed a cash dividend distribution plan during the Reporting Period, when profits are made and the parent company's profit distributable to shareholders remains positive.

☐ Applicable ☑ Not applicable

Consideration of Profit Distribution Plan by the Board (Including No Dividend Distribution and No Capitalization of Reserves)

☑ Yes ☐ No

Information on profit distribution and the conversion of capital reserves into share capital during the Reporting Period

☐ Applicable ☑ Not applicable

The Company decided not to pay cash dividends, not to issue bonus shares, and not to convert capital reserves into shares in 2025

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY

(I) Share Incentive Scheme

1. Basic information of the Share Incentive Scheme

Purpose of the Scheme	In order to further establish and improve the long-term incentive mechanism of the Company, attract and retain talents, fully motivate the core and key employees, effectively align the interests of Shareholders, the interest of the Company and the personal interests of the employees, the 2020 Restricted Share Incentive Scheme (Draft) of Angang Steel Company Limited (hereinafter referred to as the Scheme) was considered and approved at the thirty-second meeting of the eighth session of the Board and the eleventh meeting of the eighth session of the Supervisory Committee of the Company on 26 November 2020, and was approved at the 2020 third extraordinary general meeting of the Company on 31 December 2020.		
Participants of the Scheme	The Participants under the Scheme are the incumbent directors, senior and middle-level management, core technical (business) personnel upon the implementation of the Scheme, excluding Supervisors and independent Directors.		
Total number of shares available for issue under the Scheme	N/A. All restricted shares to be granted pursuant to the share incentive plan had been granted on or before 1 January 2025, and accordingly, no restricted shares were available for grant at the beginning and end of the financial year ended 31 December 2025.	Percentage of shares issued at the end of 2025	N/A
Source of restricted shares granted in the Scheme	The ordinary A shares repurchased by the Company from the secondary market.		
Maximum entitlement of each participant in the Scheme	The total number of Restricted Shares to be granted to any single Incentive Participant under all the fully effective share incentive schemes of the Company within the effective period shall not exceed 1% of the total share capital of the Company at the date of the First Announcement (i.e., 26 November 2020).		
Period during which the grantee may exercise the option under the Scheme	N/A		
Vesting period for options or awards granted under the Scheme	The share awards granted under this Scheme have no vesting period. The lock-up period of the Restricted Shares granted under this Scheme shall be 24 months from the date of completion of equity registration. If the conditions for the unlocking of the Restricted Shares are met, the Restricted Shares will be unlocked in three batches within the next 36 months in the proportion of 33%, 33% and 34%, respectively.		
The amount payable (if any) on application or acceptance of the option or award and the period within which payments or calls must or may be made or loans for such purposes must be paid	The amount that is not required to be paid upon acceptance of the award.		

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY (CONTINUED)

(I) Share Incentive Scheme (Continued)

1. Basic information of the Share Incentive Scheme (Continued)

Basis for determining the purchase price (if any) of the Shares granted	I. Basis for Determination of the Price of the First Grant The date of determining the price of the Restricted Shares under the First Grant is the date of the publication of the draft of the Scheme. The Grant Price shall not be lower than the nominal value of the Share, and shall not be lower than 60% of the higher of: 1. the average trading price of the underlying Shares of the Company for the last trading day preceding the announcement date of the draft of the Scheme; 2. the average trading price of the underlying Shares of the Company for the last 20 trading days, 60 trading days or 120 trading days preceding the announcement date of the draft of the Scheme. II. Methods of Determining the Grant Price of the Reserved Restricted Share Prior to the grant of reserved Restricted Shares, a separate Board meeting shall be convened to consider and approve the relevant proposal. The Grant Price shall not be lower than the nominal value of the Share, and shall not be lower than 60% of the higher of: 1. the average trading price of the Company's Shares on the trading day preceding the date of announcement of the Board's resolution regarding the grant of the reserved Restricted Shares; 2. any one of the average trading prices of the Company's Shares in the last 20, 60 or 120 trading days preceding the date of announcement of the Board's resolution regarding the grant of the reserved Restricted Shares.
Remaining life of the Scheme	The effective period of this Scheme shall commence from the date of completion of registration for the First Grant and end on the date when all the Restricted Shares are fully unlocked or repurchased, for a maximum of 72 months. On 27 January 2021, the Company completed the registration of the First Grant of Restricted Shares under the Scheme with the China Securities Depository and Clearing Corporation Limited. As of 31 December 2025, all restricted shares under the Plan have been listed and traded or repurchased and cancelled.

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY (Continued)

(I) Share Incentive Scheme (Continued)

2. Implementation of the Share Incentive Scheme during the Reporting Period

(1) Details of the Grant under the Scheme during the Reporting Period

In 2025, the Company did not grant any new Restricted Shares.

(2) Details of Cancellation of Share Incentive during the Reporting Period

Shareholders' Meeting Pursuant to the "Proposal on the Repurchase and Cancellation of Restricted Shares That Have Been Granted to Some Incentive Participants of the 2020 Restricted Stock Incentive Plan but Have Not Yet Been Released from Restricted Sales" approved by the Company's 2024 first extraordinary general meeting, 2024 Second Domestic Shareholders' Class Meeting, and 2024 Second Foreign Shareholders' Class Meeting on 30 December 2024, the Company completed the repurchase and cancellation of 14,180,048 restricted shares held by 183 original incentive recipients at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited that had been granted but had not yet been released on 28 February 2025.After the cancellation was completed, the Company's total share capital was reduced from 9,383,401,306 shares to 9,369,221,258 shares.

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY (Continued)

(I) Share Incentive Scheme (Continued)

2. Implementation of the Share Incentive Scheme during the Reporting Period (Continued)

(3) Grantees

Name	Position	Grant Date	Lock-up period *Note3*	Grant price of Restricted Shares *(RMB/ share)*	Number of grants held at the beginning of the Reporting Period *(10,000 shares)*	Number of shares granted during the Reporting Period *(10,000 shares)*	Number of shares unlocked during the Reporting Period *(10,000 shares)*	Number of shares canceled during the Reporting Period *(10,000 shares)*	Purchase price of canceled incentive *(RMB/ share)*	Number of shares lapsed during the Reporting Period *(10,000 shares)*	Number of grants held at the end of the Reporting Period *(10,000 shares)*
I. Directors and General Managers											
Tian Yong	Executive Director, General Manager	2021.01.08	2021.01.27-2023.01.26	1.85	10.2	-	-	10.2	1.85	-	0
Li Jingdong	Executive Director, Deputy General Manager, Chief Accountant, Secretary of the Board	2021.01.08	2021.01.27-2023.01.26	1.85	0	-	-	-	-	-	0
Zhang Hongjun	Executive Director, General Manager (Resigned)	2021.01.08	2021.01.27-2023.01.26	1.85	0	-	-	-	-	-	0
Wang Baojun	Executive Director, Deputy General Manager, Chief Accountant, Secretary of the Board (Resigned)	2021.12.10	2022.01.28-2024.01.27	2.31	9.027	-	-	9.027	2.03	-	0

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY (Continued)

(I) Share Incentive Scheme (Continued)

2. Implementation of the Share Incentive Scheme during the Reporting Period (Continued)

(3) Grantees (Continued)

Name	Position	Grant Date	Lock-up period	Grant price of Restricted Shares	Number of grants held at the beginning of the Reporting Period	Number of shares granted during the Reporting Period	Number of shares unlocked during the Reporting Period	Number of shares canceled during the Reporting Period	Purchase price of canceled incentive	Number of shares lapsed during the Reporting Period	Number of grants held at the end of the Reporting Period
			Note3	*(RMB/ share)*	*(10,000 shares)*	*(10,000 shares)*	*(10,000 shares)*	*(10,000 shares)*	*(RMB/ share)*	*(10,000 shares)*	*(10,000 shares)*
II. Other Core Employees											
Zhang Hua	Deputy General Manager	2021.01.08	2021.01.27-2023.01.26	1.85	0	–	–	–	–	–	0
He Tianqing	Deputy General Manager	2021.01.08	2021.01.27-2023.01.26	1.85	10.2	–	–	10.2	1.85	–	0
Other core employees in the First Grant (149)		2021.01.08	2021.01.27-2023.01.26	1.85	1249.358	–	–	1249.358	1.85	–	0
Other core employees in the Reserved Grant (31)		2021.12.10	2022.01.28-2024.01.27	2.31	139.2198	–	–	139.2198	2.03	–	0
Total		–	–	–	1398.7778	–	–	1398.7778	–	–	0
III. Five Individuals with the Highest Compensation in Aggregate											
Employees in the First Grant (2)		2021.01.08	2021.01.27-2023.01.26	1.85	18.7	–	–	18.7	1.85	–	0
Employees in the Reserved Grant (1)		2021.12.10	2022.01.28-2024.01.27	2.31	4.2738	–	–	4.2738	2.03	–	0
Total		–	–	–	22.9738	–	–	22.9738	–	–	0

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY (Continued)

(I) Share Incentive Scheme (Continued)

2. Implementation of the Share Incentive Scheme during the Reporting Period (Continued)

(3) Grantees *(Continued)*

Notes:

1. On 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares which had been granted but not yet released from restrictions, held by 183 incentive recipients, with China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

2. Three of the five individuals with the highest remuneration in the year were granted restricted shares.

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY (Continued)

(I) Share Incentive Scheme (Continued)

2. Implementation of the Share Incentive Scheme during the Reporting Period (Continued)

3. The lock-up period of the Restricted Shares shall be 24 months from the date of completion of restricted share registration. The unlocking period and schedule for each unlocking of the Restricted Shares (including the reserved Restricted Shares) are set out below:

Arrangement of unlocking	Unlocking period	Percentage of the number of Restricted Shares to be unlocked to the number of the Restricted Shares granted
First unlocking period	Commencing from the first trading day after expiry of the 24-month period from the date of the grant of the registration is completed and ending on the last trading day of the 36-month period from the date of the grant of the registration is completed	33%
Second unlocking period	Commencing from the first trading day after expiry of the 36-month period from the date of the grant of the registration is completed and ending on the last trading day of the 48-month period from the date of the grant of the registration is completed	33%
Third unlocking period	Commencing from the first trading day after expiry of the 48-month period from the date of the grant of the registration is completed and ending on the last trading day of the 60-month period from the date of the grant of the registration is completed	34%

X. IMPLEMENTATION OF THE SHARE-BASED INCENTIVES, EMPLOYEE STOCK OWNERSHIPS SCHEME AND OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY (Continued)

(II) Appraisal mechanism and incentives for the senior management

The Company adopts the "base salary + annual profit-linked salary + performance-linked award + tenure incentive" packages for the senior management. The base salary refers to the average salary of employees for the year; the annual profit-linked salary is associated with the comprehensive performance review; the performance-linked award is the bonus funded from the excessive profit when the achievement is higher than the performance target; the tenure incentive is associated with the tenure performance review.

(III) Implementation of the Employee Stock Ownerships Scheme

☐ Applicable ☑ Not applicable

(IV) Other employee incentive measures

☐ Applicable ☑ Not applicable

XI. THE ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

(I) Establishment and implementation of internal control

During the Reporting Period, in strict compliance with the requirements of CSRC, the Shenzhen Stock Exchange, the *Company Law*, the *Articles of Association of the Company* and other relevant laws and regulations, the Company established a robust internal control management system. Combining with the actual operation of the enterprise, the Company continuously improved and optimized its internal control system with the management objectives of strengthening internal control, preventing risks and promoting compliance. It focused on advancing the improvement of internal control system, system implementation, risk assessment and monitoring, supervision and evaluation, information construction and other aspects, constantly improving the efficiency of enterprise decision-making, which guaranteed the legality and compliance of the Company's operation and management as well as the safety of assets, and effectively promoted the steady implementation of the Company's strategies.

XI. THE ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD (Continued)

(I) Establishment and implementation of internal control (Continued)

The Company's internal control system features a sound structure, and its internal control institutional framework complies with the requirements for the completeness, rationality and effectiveness of the internal control system stipulated by the five ministries and commissions including the Ministry of Finance and the CSRC, which is adaptable to the needs of the Company's management and development. The Company attaches great importance to giving play to the important supporting role of the internal control system in governing the enterprise in accordance with laws and regulations and preventing and resolving risks. It has established and improved a robust and effective risk internal control management system and mechanism with strong leadership and clear powers and responsibilities, accelerated the construction of an internal control system compatible with world-class enterprises, achieved the expected objectives of internal control, and safeguarded the interests of the Company and all its shareholders.

(II) Specific information on significant defects of internal control identified during the Reporting Period

☐ Yes ☑ No

XII. MANAGEMENT CONTROL OF SUBSIDIARIES BY THE COMPANY DURING THE REPORTING PERIOD

Centering on the development of the Five-Type Enterprise, the Company has established and improved a modern corporate governance mechanism featuring statutory and transparent powers and responsibilities, coordinated operation and effective checks and balances. It has guided its subsidiary enterprises to formulate documents such as decision-making lists and approval manuals, clarifying the boundaries of powers and responsibilities and optimizing decision-making processes. The Company has completed the reform of the board of supervisors and the amendment of the articles of association of its subsidiary enterprises, fully implemented the functions and powers of the Board, equipped and strengthened the special committees as well as the team of full-time directors and supervisors, and promoted a substantive transformation of the boards of directors of subsidiary enterprises from "establishment for all eligible entities" to "strengthening and effective utilization".

Abnormality in the Management and Control of Subsidiaries

☐ Yes ☑ No

XIII. SELF-EVALUATION REPORT ON INTERNAL CONTROL OR INTERNAL CONTROL AUDIT REPORT

(I) Self-evaluation Report on Internal Control

Date of disclosure of full text of evaluation report on internal control	31 March 2026
Index of full disclosure Index of Full Disclosure of Evaluation report on internal control	(CNINFO) http://www.cninfo.com.cn
The proportion of the total unit asset under the scope of evaluation to the total assets of the consolidated financial statements of the Company	90.6%
The proportion of the unit operating income under the scope of evaluation to the operating income of the consolidated financial statements of the Company	74.65%

Type	Deficiency identification standards Financial report	 Non-financial report
Qualitative identification standard	1. Significant defect: (1) The directors, supervisors and senior management are found to have fraudulent Behavior; (2) Amendment to the published financial report of the Company; (3) There was a material misstatement in the financial statements, and the internal control failed to find the misstatement during the operation; (4) The supervision of internal control by the Audit and Risk Committee and the internal audit institution was invalid. 2. Major defect: The severity and economic consequences of accounting policies, accounting and financial reporting were lower than significant defects, but there still existed internal control defects that may cause the Company to deviate from the control objectives.	1. Defect identification standards for internal control of daily operations: (1) General defect has medium or below impact on the normal operation of the Company: affects certain of the principal business types/major functions or general business/general functions of the Company; has medium or below impact on the overall operation of the Company and the Company is required to pay a certain consideration for its recovery in a certain period. (2) Significant defect has relatively large impact on the normal operation of the Company: affects part of the principal business types/major functions of the Company; has relatively large impact on the overall operation of the Company and the Company is required to pay a considerable consideration for its recovery in a longer period.

XIII. SELF-EVALUATION REPORT ON INTERNAL CONTROL OR INTERNAL CONTROL AUDIT REPORT (Continued)

(I) Self-evaluation Report on Internal Control (Continued)

Type	Deficiency identification standards Financial report	Non-financial report
	3. General defect: Internal control defect of financial reports other than significant defect and major defect.	(3) Major defect has significant impact on the normal operation of the Company: affects most of the principal business types/major functions of the Company; has significant effect on the overall operation of the Company and it will be difficult for the Company to recover in the long run. 2. Defect identification standards for internal control of the Company's reputation as follows: (1) General defect has medium or below impact on the Company and the Company is required to pay a certain consideration for its recovery in a certain period: the Company is required to pay a certain consideration for its recovery in a certain period, overly prolonged delivery of goods and unstable quality, resulting in the reduction in cooperation with partners; concern from partners due to negative reports in a certain scope; quality issues in the application of products and inappropriate response resulting in tightening of conditions for continual cooperation with customers; the occurrence of counterfeit incident affects the normal sales of the Company's customers, resulting in the request of goods return or clarification from customers; internal rectification required by regulatory authorities.

XIII. SELF-EVALUATION REPORT ON INTERNAL CONTROL OR INTERNAL CONTROL AUDIT REPORT (Continued)

(I) Self-evaluation Report on Internal Control (Continued)

	Deficiency identification standards	
Type	Financial report	Non-financial report
		(2) Significant defect has relatively large impact on the Company and the Company is required to pay a certain consideration for its recovery in a longer period: partners continue to be dissatisfied with the Company in terms of quality, delivery time and price and other factors, thus certain partners cease their cooperation with the Company; negative reports from various media causes important partners to be concerned and public image is prejudiced; material quality issue results in discontinuity of cooperation and indirectly affects the cooperation with similar customers; the occurrence of counterfeit incident affects the normal sales channels and refund, thus the interests of both the Company and the customers are prejudiced; the Company is reported or publicly denounced by regulatory authorities. (3) Major defect has significant impact on the Company and the Company is required to pay a considerable consideration for its recovery in a longer period: serious problems occur in various sales factors and most of the partners cease to cooperate or reduce the level of cooperation; negative reports issued by popular authoritative media to cause the suspension of cooperation among customers, suppliers and the Company; material quality problems are found in application of products to key construction projects and have certain impact on the society, thus the recognition from the public decreases; negative effect brought by counterfeit incident, thus the recognition from the public and loyalty of customers decrease; the Company's business is forced to stop for rectification by regulatory authorities.

XIII. SELF-EVALUATION REPORT ON INTERNAL CONTROL OR INTERNAL CONTROL AUDIT REPORT (Continued)

(I) Self-evaluation Report on Internal Control (Continued)

Type	Deficiency identification standards Financial report	 Non-financial report
		3. Defect identification standards for internal control of the Company's safety: (1) General defect affects minority of staff/public health/safety; relatively larger accidents. (2) Significant defect affects part of staff/public health/safety; major accidents. (3) Major defect affects certain number of staff/public health/safety; significant accidents. 4. Defect identification standards for internal control of the Company's environmental protection: (1) General defect middle-level impact on the environment, the occurrence of general environmental incident (National level IV). (2) Significant defect relatively large damage on the environment, the occurrence of larger environmental accident (National level III). (3) Major defect serious damage on the environment, the occurrence of environmental protection incident at the level of significant environmental accident (National level II) or above.

XIII. SELF-EVALUATION REPORT ON INTERNAL CONTROL OR INTERNAL CONTROL AUDIT REPORT (Continued)

(I) Self-evaluation Report on Internal Control (Continued)

	Deficiency identification standards	
Type	Financial report	Non-financial report
Quantitative identification standard	1. Significant defect significant effect on financial indicators and liquidity (0.8 time ≤turnover of current assets < 1 time); effect on total profit RMB50 million; effect on total assets RMB8 billion. 2. Major defect larger effect on financial indicators and liquidity (0.5 time ≤ turnover of current assets < 0.8 time); RMB10 million ≤ effect on total profit < RMB50 million; RMB4.8 billion ≤ effect on total assets < RMB8 billion. 3. General defect middle-level or smaller effect on financial indicators and liquidity (turnover of current assets <0.5time); effect on total profit <RMB10 million; effect on total assets <RMB4.8 billion.	–
Number of significant defects in financial statements	0	
Number of significant defects in non-financial statements	0	
Number of major defects in financial statements	0	
Number of major defects in non-financial statements	0	

XIII. SELF-EVALUATION REPORT ON INTERNAL CONTROL OR INTERNAL CONTROL AUDIT REPORT (Continued)

(II) Auditor's report on internal control

☑ Applicable ☐ Not applicable

Opinion on the Review of the Auditor's Report on Internal Control

BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership) has audited the internal control of the financial report of the Company in respect of its effectiveness, and is of the opinion that Angang Steel Company Limited maintained effective internal control on the financial report in all material aspects in accordance with the Basic Standards for Enterprise Internal Control and the relevant regulations as of 31 December 2025.

Disclosure of the auditor's report on internal control	Disclosed
Date of disclosure of full text of the auditor's report on internal control	31 March 2026
Index of full disclosure of the auditor's report on internal control	(CNINFO) http://www.cninfo.com.cn
Type of opinion on the auditor's report on internal control	Standard and unqualified
Whether there are material defects in non-financial statements	No

Whether the accounting firm has released an unqualified internal control audit report

☐ Yes ☑ No

Whether the internal control audit report released by the accounting firm is consistent with the opinion of the Board in the self-assessment report

☑ Yes ☐ No

XIV. RECTIFICATION OF SELF-INSPECTED ISSUES IN THE SPECIAL ACTION FOR LISTED COMPANY GOVERNANCE

☐ Applicable ☑ Not applicable

XV. DISCLOSURE OF ENVIRONMENTAL INFORMATION

Whether the Listed Company and its major subsidiaries are included in the list of enterprises required to disclose environmental information in accordance with the law

☑ Yes ☐ No

Number of Enterprises Included in the List of Enterprises Required to Disclose Environmental Information in Accordance with the Law *(Unit: Company)*	14

Number	Enterprise Name	Query Index for the Environmental Information Disclosure Report in Accordance with the Law
1	Cold Rolling Plant of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
2	Silicon Steel Business Division of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
3	Heavy Section Mill of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
4	Coking General Plant of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
5	Steelmaking General Plant of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
6	Ironmaking General Plant of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
7	Hot Rolling Strip Mill of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
8	Energy and Power General Plant of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
9	Medium and Heavy Plate Mill of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
10	Wire Rod Mill of Angang Steel Company Limited	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
11	Angang Chemical Technology Co., Ltd.	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
12	Angang Kobe Steel Cold Rolled High-Strength Automotive Steel Sheet Co., Ltd.	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
13	Bayuquan Branch	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index
14	Chaoyang Iron and Steel	https://qyxxpl.ywzh.lnsthj.cn:8802/home/index

XVI. SOCIAL RESPONSIBILITY

The Company actively fulfills its social responsibilities and has publicly disclosed the *2025 Corporate Social Responsibility Report and Environmental, Social and Governance Report of Angang Steel Company Limited*. The full text of the report can be found on CNINFO Website (http://www.cninfo.com.cn) on 31 March 2026.

XVII. CONSOLIDATION AND EXPANSION OF POVERTY ALLEVIATION ACHIEVEMENTS AND RURAL REVITALIZATION

In 2025, the Company actively fulfilled its assistance responsibilities, implemented and promoted projects for the "Five Revitalizations", gave full play to the local resource advantages, formulated effective measures, fully completed various assistance tasks, and continued to make new contributions to supporting the rural revitalization of Taxkorgan Tajik Autonomous County in Xinjiang and Shangtaohuatun Village in Chaoyang City, Liaoning Province. In 2025, the Group donated a total of RMB 16.5 million and implemented 14 assistance projects, including 3 industrial revitalization projects, 5 ecological revitalization projects, 2 cultural revitalization projects, 2 talent revitalization projects, and 2 organizational revitalization projects, benefiting 42,000 people.

The main leaders of the Company visited Taxkorgan Tajik Autonomous County in Xinjiang for inspection and research, and supervised the implementation of the aided construction projects; focused on "supporting both wisdom and aspiration" to promote talent revitalization, trained a total of 1,295 people, including 422 grass-roots cadres, 90 rural revitalization leaders, and 783 technical personnel, continuously strengthening the talent team building and the combat effectiveness of grass-roots Party organizations in Taxkorgan Tajik Autonomous County; jointly carried out the "Most Beautiful Courtyard" evaluation activity with the government of Taxkorgan Tajik Autonomous County, guiding villagers to develop good living habits through the evaluation criteria of "courtyard purification + greening + cultural decoration", and helping improve the rural living environment; actively organized and participated in activities such as the "Central Enterprise Consumption Assistance Spring Festival Action", "Central Enterprise Consumption Assistance Concentration Action", and "Central Enterprise Consumption Assistance Agriculture Promotion Week", purchased a total of RMB 19.19 million of characteristic agricultural products through consumption assistance, and helped Taxkorgan Tajik Autonomous County sell RMB 6.45 million of agricultural and sideline products. The assistance case "Wholeheartedly Supporting the Pamir Plateau Yak Industry to Take the Path of Brand-Driven Development" was rated as a typical case in the *CMG Rural Revitalization Observation Report* at the first "Rural Revitalization" Annual Gala held by China Media Group. Focusing on the improvement of rural infrastructure in Liaoning Province, the Company invested RMB 0.3 million to implement the infrastructure drainage and disaster prevention capacity enhancement project, ensuring the living safety and travel convenience of more than 60 households of villagers; the first secretary stationed in the village was rated as an Excellent First Secretary Stationed in the Village in Shuangta District, and shared work experience at the forum of stationed secretaries and team members in the district, and the Angang assistance chronicle was promoted as a model among all stationed teams in the district.

XVIII. CORPORATE GOVERNANCE REPORT

(I) Corporate governance practices

With shares listed in both Hong Kong and Shenzhen, the Company is committed to improving its corporate governance in accordance with international corporate governance standards. The Board and the management understand that they are responsible for establishing good corporate governance practices and procedures and the strict implementation of such practices and procedures, in order to protect the interests of the shareholders and to create value for the shareholders in the long term.

The Company has adopted the code provisions set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules as currently effective. The Company has periodically reviewed its corporate governance practices, except for the following matters, the Company has properly complied with the code provisions of the Corporate Governance Code.

(II) Securities transactions by Directors

The Board has adopted the relevant code for Directors' securities transactions for the purpose of complying with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. In response to the Company's specific enquiries with all Directors, the Directors have confirmed that they have complied with the code set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The Company has also adopted a code of conduct governing securities transactions by the employees of the Company who may possess or have access to price sensitive information in relation to the Company or its securities.

(III) Independent Non-executive Directors

Throughout the Reporting Period, the Board had been in compliance with Rule 3.10(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, which requires a company to maintain at least three independent Non-executive Directors, and with Rule 3.10(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, which requires one of the independent non-executive Directors to possess professional qualifications or accounting or related financial management expertise.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(III) Independent Non-executive Directors (Continued)

Pursuant to the requirements of the Hong Kong Stock Exchange, the Company has verified with its independent non-executive Directors in respect of their independence as follows: the Company has received the written confirmation of each of the independent non-executive Directors ascertaining that they are in compliance with Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in respect of their independence. The Company is of the opinion that all of the independent non-executive directors are independent.

(IV) The Board and its special committees

1. Composition of the Board

The Board of the Company comprises eight members including three executive Directors (including one Chairman), one employee director and four independent nonexecutive Directors as at the end of the Reporting Period. The number of independent non-executive Directors of the Company represents over one third of the members of the Board.

The Board of the Company establishes four special committees, which are all comprised of Directors. In particular, the majority of the members of the Audit and Risk Committee, Nomination Committee, Remuneration and Appraisal Committee are independent non-executive Directors who are also the conveners. There is at least one independent non-executive Director in the Audit and Risk Committee who possesses professional qualifications in accounting. Each of the special committees is accountable to the Board and submits proposals to the Board for consideration and approval.

The Board of the Company held 8 Board meetings and considered and approved 63 proposals in 2025.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

2. Duties and Operation of the Board

The Board is accountable to the Shareholders' Meeting, serving as the Company's operational decision-making body responsible for formulating strategies, making decisions, and preventing risks. It exercises the following powers:

1) To formulate plans for implementing the decisions and arrangements of the CPC Central Committee and the State Council, as well as major measures for fulfilling national development strategies;

2) To convene the Shareholders' Meeting and report on its work to the General Meeting;

3) To implement the resolutions adopted by the Shareholders' Meeting;

4) To decide the Company's business plans and investment plans;

5) To formulate the Company's profit distribution plans and loss recovery plans;

6) To formulate plans for the increase or reduction of the Company's registered capital, issuance of bonds or other securities, and listing;

7) To draft plans for significant acquisitions by the Company, purchase of the Company's shares, merger, division, dissolution, and change of the Company's form;

8) Within the scope of powers prescribed by laws, administrative regulations, and the listing rules of the Company's listing places, as well as the authorization of the Shareholders' Meeting, to decide on matters such as the Company's external investments, acquisition and sale of assets, asset mortgages, external guarantees, entrusted financial management, connected transactions, and external donations;

9) To determine the structure of the Company's internal management institutions;

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

2. Duties and Operation of the Board (Continued)

10) To decide on the appointment or dismissal of the Company's General Manager, Secretary of the Board, and other senior management personnel, and determine their remuneration, rewards, and penalties; upon the nomination of the General Manager, to decide on the appointment or dismissal of the Company's Deputy General Manager, Chief Financial Officer, and other senior management personnel, and determine their remuneration, rewards, and penalties;

11) To formulate the Company's basic management systems;

12) To draft proposals for amendments to the Articles of Association of the Company;

13) To manage the Company's information disclosure matters;

14) To propose to the Shareholders' Meeting the appointment or replacement of the accounting firm auditing the Company;

15) To hear the work report of the Company's General Manager and supervise the General Manager's work;

16) Other powers granted by laws, administrative regulations, departmental rules, the Articles of Association of the Company, or the Shareholders' Meeting.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

2. Duties and Operation of the Board (Continued)

The Directors of the Company is responsible for the preparation of the financial statements for each financial period, which gives a true and fair view of the state of business condition, results and cash flows of the Company during the relevant period.

To ensure that the Board will receive independent insight and opinions, the Company has adopted the following policies:

1) Members of the Board shall take relevant business trainings every year, to ensure that they have adequate professional capabilities to fulfill the duties as directors.

2) The Company shall provide independent non-executive Directors with necessary conditions for discharging duties and shall ensure that independent non-executive Directors enjoy the right to know as equally as other directors. When independent non-executive Directors perform their duties, relevant personnel of the Company shall cooperate and shall not refuse to cooperate, hinder the performance or conceal any information, and shall not intervene in the independent performance of duties. The Company shall afford the cost of independent non-executive Directors' engagement of intermediaries and other expenses incurred in the performance of duties. Other than the remuneration for acting as independent nonexecutive Directors, independent non-executive Directors shall not receive additional or undisclosed benefits from the Company and its substantial shareholders or interested institutions and persons.

3) The Nomination Committee reviews the independence of independent non-executive Directors every year, to ensure that all independent non-executive Directors are non-connected parties.

4) Independent non-executive Directors do not engage in the Company's daily operation and management.

5) The remuneration of independent non-executive Directors is not linked with the Company's business performance.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

3. Remuneration and Appraisal Committee

In 2025, the Company's Remuneration and Appraisal Committee convened 4 meetings and deliberated on 4 agenda items. It mainly reviewed matters such as the 2024–2026 term operating performance assessment indicators for the management team, the 2024 annual remuneration of Directors and Senior Management, and the 2025 operating performance evaluation method for Senior Management, and submitted these matters to the Board for deliberation.

In 2025, the members of the Remuneration and Appraisal Committee of the Company and their attendance at meetings are as follows:

Name	Position in the Committee	Attendance at meetings
Hu Caimei	Chairman	100%
Wang Jun	member	100%
Zhu Keshi	member	100%
Liu Chaojian	member	100%
Tan Yuhai	member	100%
Wang Wanglin	former member	100%
Wang Jianhua	former member	100%

Main duties of the Remuneration and Appraisal Committee are:

1) to make recommendation to the Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

2) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives set up by the Board;

3) to put forth suggestions on the remuneration of all Directors and senior management to the Board. This should include benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment);

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

3. Remuneration and Appraisal Committee (Continued)

4) to organise to formulate the appraisal standards for Directors and senior management and conduct assessments;

5) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company;

6) to review and approve the compensation payable to executive Directors and senior management for any loss or termination of the office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

7) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;

8) to ensure that no Director or any of his associates is involved in deciding his own remuneration;

9) to put forth suggestions to the Board on the development or revision of the stock incentive plan and the employee share ownership scheme, rights and interests to eligible participants, and achievement of exercising conditions;

10) to put forth suggestions to the Board on the share ownership scheme for directors and senior management members in the subsidiaries to be spun off;

11) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules; and

12) other matters stipulated by laws, administrative regulations, provisions of regulatory authorities for securities, and the provisions of the Articles of Association.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

4. Nomination Committee

In 2025, the Company's Nomination Committee convened 4 meetings and deliberated on 9 agenda items. It mainly reviewed matters such as the structure and composition of the Board and the independence of Independent Non-Executive Directors, nominated candidates for the Company's Directors, General Manager, Deputy General Manager, Chief Accountant, and Secretary of the Board in accordance with the quality requirements of the required talents, relevant laws and regulations, and the Company's Articles of Association, and submitted these candidates to the Board for review.

In 2025, the members of the Nomination Committee of the Company and their attendance are as follows:

Name	Position in the Committee	Attendance at meetings
Liu Chaojian	Chairman	100%
Wang Jun	member	100%
Zhu Keshi	member	100%
Hu Caimei	member	100%
Tan Yuhai	member	100%
Wang Jianhua	former chairman	100%
Deng Qiang	former member	100%
Wang Wanglin	former member	100%

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

4. Nomination Committee (Continued)

Main duties of the Nomination Committee are:

1) to review the structure, size, composition of the Board(including skills, knowledge and experience) at least annually and make recommendations with respect to the changes to be made to the Board in order to coordinate with the Company's corporate strategy;

2) to identify individuals appropriately qualified to serve as Directors and to select or make recommendation to the Board on the selection of individuals nominated for directorship;

3) to assess the independence of independent non-executive Directors; and

4) to make recommendations to the Board on the appointment or reappointment of Directors and succession plan for Directors, in particular, the Chairman and the General Manager.

5) to make recommendations to the Board on the appointment or dismissal of Senior Management;

6) to exercise other powers as stipulated by laws, administrative regulations, securities regulatory authorities and the Company's Articles of Association.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

4. Nomination Committee (Continued)

Nomination policy:

1) The Nomination Committee shall review at least once a year the number, composition and organisational structure of the Board (including the skills, knowledge base, work experience and diversity of the Board members), and advise on personnel changes of the Board to consolidate the Company's development strategy;

2) The Nomination Committee shall consider the criteria and procedures for selecting directors, general manager and other senior management members and make recommendations thereon to the Board, develop or revise the Board Diversity Policy and focus on developing board diversity in the member selection process. Factors to consider include but are not limited to gender, age, culture, perspectives, education background and previous experience;

3) The Nomination Committee shall identify candidates qualified to become the Board members and make recommendations thereon to the Board, having due regard to the Company's Board Diversity Policy, the requirements in the Articles of Association regarding the appointment of directors of the Company, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board in terms of qualifications, skills, experience, independence and gender diversity;

4) The Nomination Committee shall review the independence of independent non-executive Directors with reference to the factors set out in the Listing Rules and any other factors deemed appropriate by the Nomination Committee or the Board. If a proposed independent non-executive Director will be holding his/her seventh (or more) listed company directorship, the Nomination Committee shall assess his/her ability to devote sufficient time to the Board matters.

The Company's nomination policy is aimed to ensure that members of the Board have necessary skills and experience and diverse insights that are important to the businesses.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

5. Audit and Risk Committee

In 2025, the Company's Audit and Risk Committee convened 8 meetings, deliberated on 20 agenda items and received briefings on 2 matters. It mainly reviewed the quarterly, semi-annual and annual financial reports of the Company as well as the financial information contained in the Company's quarterly, semi-annual and annual reports, examined the Company's internal control system and risk management, nominated the auditors of the Company for 2025, and submitted the above matters to the Board for deliberation.

In 2025, the members of the Audit and Risk (Oversight) Committee of the Company and their attendance are as follows:

Name	Position in the Committee	Attendance at meetings
Zhu Keshi	Chairman	100%
Hu Caimei	member	100%
Liu Chaojian	member	100%
Zhao Zhongmin	member	100%
Tan Yuhai	member	100%
Wang Wanglin	former member	100%
Wang Jianhua	former member	

The Audit and Risk Committee and the management of the Company have jointly examined the Company's accounting policy and have discussed the issues in relation to the auditing, internal control and financial statements of the Company, including a review of the audited financial statements for the year ended 31 December 2025.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

5. Audit and Risk Committee (Continued)

Main duties of the Audit and Risk Committee are:

1) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

3) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

5. Audit and Risk Committee (Continued)

4) to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the committee should focus particularly on:

(1) any changes in accounting policies and practices;

(2) major judgmental areas;

(3) significant adjustments resulting from audit;

(4) the going concern assumptions and any qualifications;

(5) compliance with accounting standards;

(6) compliance with the Listing Rules and legal requirements in relation to financial reporting;

(7) the Company's profit distribution or loss recovery plan.

5) Regarding Item 4) above:

(1) members of the committee should liaise with the Board and senior management. The committee must meet, at least twice a year, with the Company's auditors;

(2) the committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

5. Audit and Risk Committee (Continued)

6) to review the Company's financial control, internal control and risk management system at least annually, and, unless there is another risk committee under the Board or the Board itself explicitly deals with it, review the Company's risk management and internal control system;

7) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

8) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

9) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

10) to review the Company's financial and accounting policies and practices;

11) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

12) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

13) to report to the Board on the matters in respect of the terms of reference;

14) to consider other topics, as defined by the Board;

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

5. Audit and Risk Committee (Continued)

15) to review arrangements as: employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

16) to act as the key representative body for overseeing the Company's relations with the external auditor;

17) to guide and promote the development of corporate rule of law and compliance management and supervise the duty performance of the management regarding the governance of enterprises according to law and compliance management;

18) to oversee the appointment and removal of the person in charge of the Audit Department of the enterprise and put forth relevant suggestions;

19) to appoint or dismiss the financial controller of the listed company;

20) to supervise the establishment and operation of the enterprise's risk management system and internal control system;

21) to formulate and implement the enterprise's internal audit system, risk management system and supervision system;

22) to evaluate the completeness of the audit system and the effectiveness of its operation;

23) to exercise other powers granted by the Articles of Association, the Shareholders' Meeting and the Board.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

5. Audit and Risk Committee (Continued)

In addition, the Audit and Risk Committee exercises the powers of the Board of Supervisors as stipulated by the *Company Law*:

1) to inspect the company's financial affairs;

2) to supervise the performance of duties by directors and senior management, and to propose the dismissal of directors and senior management who violate laws, administrative regulations, the Articles of Association or resolutions of the Shareholders' Meeting;

3) to require directors and senior management to rectify their acts when such acts harm the company's interests;

4) to propose the convening of an extraordinary Shareholders' Meeting, and to convene and preside over the Shareholders' Meeting when the Board fails to perform its duties of convening and presiding over the Shareholders' Meeting as stipulated by this Law;

5) to submit proposals to the Shareholders' Meeting;

6) to institute legal proceedings against directors and senior management in accordance with the provisions of the *Company Law*;

7) to exercise other powers as stipulated by laws, administrative regulations, securities regulatory authorities and the Articles of Association of the company.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IV) The Board and its special committees (Continued)

6. Training for Directors

In 2025, all the Directors of the Company have received relevant training and studied relevant laws and regulations at home and abroad, relevant rules and updates of Shenzhen Stock Exchange and Hong Kong Stock Exchange, details of which are as follows:

Name	Position in the Board	Continuous professional training category
Wang Jun	Chairman	A, B
Tian Yong	Executive Director	A, B
Zhao Zhongmin	Employee Director	A, B
Li Jingdong	Executive Director	A, B
Tan Yuhai	Non-executive Director	A, B
Wang Wanglin	Independent Non-executive Director	A, B
Zhu Keshi	Independent Non-executive Director	A, B
Hu Caimei	Independent Non-executive Director	A, B
Liu Chaojian	Independent Non-executive Director	A, B

Notes:

A: Attend meetings/forums/reporting meetings/trainings/lectures relating to businesses or functions of the Directors

B: Internal trainings of the Company/read supervisory update information about laws, rules and regulations relating to the roles and functions of the Directors.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(V) Chairman and general manager

The positions of Chairman and General Manager of the Company are assumed by different persons with definite division of duties.

Duties of the Chairman:

(1) to preside over the shareholders' meetings and to convene and preside over the Board meetings;

(2) to supervise and check the implementation of resolutions of the Board;

(3) to exercise other powers conferred by the Board.

Duties of the General Manager:

The General Manager reports to the Board and exercises the following powers:

(1) to take charge of the Company's production, operation and management and to organise and implement the resolutions of the Board and report to the Board;

(2) to organise the implementation of the Company's annual operational plansand investment programmes;

(3) to prepare the plan for the Company's internal management structure;

(4) to prepare the basic management system for the Company;

(5) to prepare the specificrules and regulations of the Company;

(6) to make proposals to the Board in relation to the appointment or dismissal of the deputy general manager and the financial controller;

(7) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board;

(8) other powers as conferred under the Articles of Association of the Companyor granted by the Board.

The General Manager shall attend Board meetings in a non-voting capacity.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(VI) Company secretaries

During the Reporting Period, Mr. Li Jingdong and Mr. Zhou Dongzhou, the Joint Company Secretaries, were in compliance with Rule 3.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Mr. Li Jingdong and Mr. Zhou Dongzhou were respectively appointed by the Board on 11 February 2025 and 30 November 2021.Mr. Zhou Dongzhou has signed an engagement contract with the Company to provide certain corporate secretarial services to the Company. Mr. Li Jingdong was the major contact person between Zhou Dongzhou and the Company in relation to company secretarial matters.

(VII) Rights of shareholders

1. How the shareholders can convene an extraordinary general meeting

   Pursuant to Article 61 of the Articles of Association of the Company:

   Any shareholder(s) individually or aggregately holding more than 10%of the shares of the Company shall be entitled to request in writing to the Board to convene an extraordinary shareholders' meeting. The Board shall reply, in writing, within 10 days upon receipt of such proposal, whether or not it consents to the convening of extraordinary shareholders' meeting in accordance with the provisions of the laws, administrative regulations and the Articles of Association of the Company.

   The Board shall give the notice convening an extraordinary shareholders' meeting within five days after it has passed the relevant resolution. Any change made to the original request in the notice shall be subject to the consent of such shareholder(s).

   If the Board does not consent to convene such an extraordinary shareholders' meeting or does not reply within 10 days upon receipt of such request, such shareholder(s) individually or in aggregate holding more than 10% of the shares of the Company shall be entitled to request in writing to the Audit Committee to convene such an extraordinary shareholders' meeting.

   The Audit Committee shall give the notice convening an extraordinary shareholders' meeting within 5 days after it has passed the relevant resolution. Any change made to the original request in the notice shall be subject to the consent of such shareholder(s).

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(VII) Rights of shareholders (Continued)

1. How the shareholders can convene an extraordinary general meeting (Continued)

   If the Audit Committee fails to give a notice convening a shareholders' meeting within the prescribed period of time, it shall be deemed as not to convene and hold such a shareholders' meeting, in which circumstance, shareholder(s) individually or aggregately holding more than 10% of the shares of the Company for 90 consecutive days or more shall be entitled to convene and chair such a shareholders' meeting on its/their own."

2. Should investors and all stakeholders have any proposals or inquiries, please refer to the contact information of the Company's contact person on Page 5 in the Corporate Profile section of this Annual Report for communication.

3. How Shareholders May Submit Proposals to the Company

   Pursuant to Article 64 of the Articles of Association of the Company: A shareholder or a group of shareholders holding individually or in the aggregate more than 1% of the Company's shares may submit a temporary proposal in writing to the convener ten days prior to the convening of the Shareholders' meeting of Shareholders. The convener shall issue a supplementary notice for the Shareholders' meeting of Shareholders within two days upon receipt of the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting of Shareholders for deliberation. Provided that this shall not apply if the temporary proposal violates the provisions of laws, administrative regulations or the Articles of Association of the Company, or falls outside the scope of powers of the Shareholders' meeting of Shareholders.

   Should any shareholder have any proposals, please refer to the contact information of the Company's contact person on Page 5 in the Corporate Profile section of this Annual Report for communication.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(VIII) Investor relations

1. Communication with shareholders

In order to protect the rights of its shareholders, the Company convenes shareholders' meetings at appropriate time and venue according to the relevant requirements and notifies its shareholders in a timely manner. The shareholders' meetings are convened by adopting the way of poll combining on-site voting and online voting to ensure that the shareholders can exercise their rights.

In 2025, the Company strengthened communication with investors by holding results briefings and attending strategy conferences organised by securities brokers, and conducted 12 investor relations activities. It answered more than 60 investor hotline calls in total and replied to 57 inquiries via the Interactive Easy Platform of the Shenzhen Stock Exchange, ensuring the smooth operation of daily communication channels between the Company and investors. During the Reporting Period, the Company strictly implemented the requirements of the *Articles of Association* and the *Investor Relations Management Measures* regarding the shareholder communication policy, effectively safeguarded the legitimate rights and interests of shareholders, and ensured the unimpeded operation of the communication bridge between the Company and investors.

The Board reviewed the shareholder communication policy on the regular basis, to ensure its implementation effectiveness. Having considered the multiple communication and engagement channels provided by the Company, the Board believes that the shareholder communication policy is effective during the Reporting Period.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(VIII) Investor relations (Continued)

2. Significant changes in the "Articles of Association"

On 28 July 2025, the Company revised its *Articles of Association* at the 2025 Second Extraordinary General Meeting of Shareholders. The revisions were mainly made to the *Articles of Association* and its annexes, the *Rules of Procedure for the General Meeting of Shareholders* and the *Rules of Procedure for the Board of Directors*, in accordance with the provisions of relevant laws, administrative regulations and normative documents including the *Company Law*, the *Arrangements for the Transition Period Relating to the Implementation of Supporting Institutional Rules for the New Company Law* issued by the China Securities Regulatory Commission (CSRC), the *Guidelines on the Articles of Association of Listed Companies (Revised 2025)*, the *Shenzhen Stock Exchange Stock Listing Rules* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. Meanwhile, to implement the requirements of the *Company Law* and the *Notice on Issuing the Implementation Plan for Deepening the Reform of the Board of Supervisors of State-Owned Enterprises* (Guo Zi Fa Gai Ban [2024] No. 51) issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), further optimize the company's corporate governance structure and enhance governance efficiency, the Company abolished the Board of Supervisors and supervisors, deleted the relevant provisions on supervisors and the Board of Supervisors from the *Articles of Association*, and mandated the Audit and Risk Committee of the Company's Board of Directors to assume and exercise the powers of the Board of Supervisors as stipulated by the *Company Law*; the *Rules of Procedure for the Board of Supervisors* was also repealed concurrently. For details, please refer to the *Comparison Table of Revised Contents of the Articles of Association of Angang Steel Company Limited*, the *Comparison Table of Revised Contents of the Rules of Procedure for the General Meeting of Shareholders of Angang Steel Company Limited* and the *Comparison Table of Revised Contents of the Rules of Procedure for the Board of Directors of Angang Steel Company Limited* published on CNINFO Website (www.cninfo.com.cn) on 1 July 2025, as well as the *Proposed Amendments to the Articles of Association* disclosed on the Hong Kong Exchanges and Clearing Limited's Disclosure Board on 30 June 2025.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(IX) Corporate governance functions

The Board is responsible for performing the functions as set out in code provision A.2.1 of the Corporate Governance Code to ensure that the Company has established comprehensive corporate governance practices and procedures. During the Reporting Period, the Board has:

(1) established and reviewed the corporate governance policies and practices of the Company as well as made relevant recommendations;

(2) reviewed and monitored the training and continuous development of the Directors and senior management;

(3) reviewed and monitored the policies and practices of the Company regarding the compliance with relevant legal and regulatory requirements;

(4) established, reviewed and monitored the code of conduct for Directors and employees; and

(5) reviewed as to whether the Company has complied with the Corporate Governance Code of Appendix C1 to the Hong Kong Listing Rules and made disclosures in the Corporate Governance Report.

(X) Risk management and internal control

The Board is responsible for overseeing the Group's risk management and internal control systems and reviewing their effectiveness. The Audit and Risk Committee under the Company's Board of Directors assist the Board in monitoring and reviewing the design and operational effectiveness of the risks, associated risk management and internal control systems, and submit reports to the Board.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(X) Risk management and internal control (Continued)

The Company has established a relatively comprehensive risk management and internal control system, in which there is close integration of the Group's comprehensive risk management and internal control work with other management efforts, so as to integrate the various requirements of risk management into corporate management and business processes. We have comprehensively adopted methods such as risk incident investigation, business interviews, group discussions and exchanges, and data statistical analysis to earnestly carry out the prediction and assessment of major operational risks. By continuously optimizing and improving the risk database, collecting risk information from multiple dimensions, and organizing the solicitation of opinions and suggestions from various departments and units, we ensure that comprehensive risk management achieves the goals of "clear visibility, effective prevention, strict control, and tangible results", and unswervingly promote the construction of the "Five-Type Enterprises".

1. Risk Assessment Methods

   Based on the Company's current management and operation level, personnel quality and control measures, the Company assesses general risks, medium risks and major operational risk items in accordance with the probability of occurrence and impact degree of risk events. The assessment is conducted through analyzing the annual production processes, financial status and management behaviors, as well as by means of example listing by functional professional departments, special surveys and research, and classification and summary of historical data.

2. Scope of Risk Assessment

   The scope of risk assessment covers all departments and units of the Company. Risk identification, analysis and evaluation are carried out, and the centralized management departments integrate risk prediction matters to re-evaluate and determine major risks. At the corporate level, the constraints on the Company's production and operation and the impact of abnormal changes in the market environment are fully judged; at the grassroots level, focusing on operational objectives and key performance indicators, risk information collection and assessment are carried out based on actual job functions and post responsibilities.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(X) Risk management and internal control (Continued)

3. Risk Assessment Process

In accordance with the requirements of comprehensive risk and internal control management, the Company refers to the 5 first-level risks, 73 second-level risks and 88 third-level risks classified in the "Enterprise Risk Classification Examples" issued by SASAC. It identifies the scope and key points of risk assessment, collects and studies risk information, conducts identification, analysis and statistics on risk information, organizes and implements risk evaluation, sorts out and identifies analysis results, and determines major operational risk items.

4. Risk Evaluation Results

The Company systematically sorts out risk source information such as circulars issued by national ministries and commissions, regulatory requirements of government administrative departments, corporate-level decision-making issues, major legal disputes and major administrative penalties. Adopting a combination of qualitative and quantitative methods, it identifies major, medium and general risk items, implements hierarchical and classified control, and effectively prevents and controls 4 major operational risks including safety, environmental protection, cash flow and litigation, ensuring no systematic major operational risk events occur.

5. Strengthening Internal Supervision

Adhering to the work principle of "strengthening compliance and emphasizing supervision", the Company thoroughly carries out compliance special governance, effectiveness evaluation and special inspections. It strictly abides by the bottom line of legal compliance for decision-making matters. The Board regularly listens to work reports, reviews and approves internal control matters, as well as the *2025 Major Risk Assessment Report of Angang Steel Company Limited* and the *2024 Internal Control System Work Report of Angang Steel Company Limited*, so as to ensure the legal compliance of the Company's production and operation businesses.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(X) Risk management and internal control (Continued)

5. Strengthening Internal Supervision (Continued)

The Group has formulated the Information Disclosure Management Measures, which clearly stipulates the procedures for communication, confidentiality, reporting and external release of inside information prior to its disclosure.

The Board reviews the Group's risk management and internal control systems (including financial, operational and compliance controls, adequacy of resources, staff qualifications and experience, training programmes and budget for accounting, internal audit and financial reporting functions, as well as ESG performance and reporting) at least once a year. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board believes that the risk management and internal control system settings of the Group are adequate and effective.

(XI) Auditor's remuneration

For the year ended 31 December 2025, the Company paid audit fees for annual financial report of RMB4.75 million to the external auditor of the Company and reserved a 5% (RMB 250,000) quality deposit in accordance with the contract.

(XII) Board diversity policy

In accordance with the requirements of the Hong Kong Stock Exchange, the Company has formulated the Diversity Policy of the Board and the Policy. The Company is committed to the principle of equal opportunities in all aspects of its business, and no one will be discriminated against on the grounds of race, gender, disability, religion or ideological belief, age, sexual orientation, family status or any other factors.

XVIII. CORPORATE GOVERNANCE REPORT (Continued)

(XII) Board diversity policy (Continued)

The Company strives to ensure that board members maintain an appropriate balance in terms of skills, experience and diversity of views and perspectives to provide different views and perspectives, opinions and questions, and ensure the implementation of the Company's business strategy and the efficient operation of the Board. The appointment of members of the Board will continue to be based on the principle of employing only the best, considering the candidates who can serve as members of the Board according to objective criteria, and with due regard to the benefits of diversity of members of the Board.

As at the end of the Reporting Period, the Company has nine directors, including four independent nonexecutive directors. Specialised in steel enterprise management, economics and management, steel industry, law and accounting, and tax, the directors have extensive experience, broad horizon and keen sight in market and economic trends and enterprise development trends, master knowledge of macroeconomic development and national policies and regulations, possess high-level professionalism and strategic thinking and have great influence in their respective specialised field, which is a strong support to Angang Steel's high quality development.

The Company's Board continuously optimized the member structure of the Board. As at the end of the Reporting Period, there are 8 male directors and 1 female director on the board. The Company will uphold the principle of selecting talents on their merits and remain committed to providing female employees with career development opportunities. A series of measures have been adopted, which will be further promoted in the future, to enhance the gender diversity of the Board. The Nomination Committee will review the Board Diversity Policy and the progress (including gender balance) on the regular basis, to ensure continuity and effectiveness. The Board believes that the policy will provide the talents it is seeking to achieve gender diversity.

The Group has 23,990 employees in total in 2025, including 1,934 female employees, who account for 8.06% of the workforce. The Group will actively organise diversified recruitment and admission to ensure equal opportunities and remuneration for employees of all genders in the organisation. As of the date of disclosure of this Report, the Group is not aware of any factors or circumstances that would make achieving gender diversity among employees more challenging or less relevant.

I. PERFORMANCE OF UNDERTAKING

(I) The undertakings performed by the de facto controllers, shareholders, related parties, offerors and the Company during the Reporting Period as well as the undertakings that they have not yet performed as at the end of the Reporting Period.

Reason for undertaking	Party providing undertaking	Type of undertaking	Details of undertaking	Date of undertaking	Period of undertaking	Performance of undertaking
Undertaking made during the restructuring of assets	Angang Holding	Non-competition undertakings	The Non-competition Undertaking Letter of Anshan Iron & Steel Group Complex (1) Angang Holding and its whollyowned and holding subsidiaries have complied with relevant requirements of the state on the non-competition. (2) Angang Holding and its whollyowned and holding subsidiaries have never engaged in any business which directly or indirectly competes with the iron and steel business, the principal business of the Company. (3) Angang Holding undertakes that the Company is entitled to the preemptive rights for the assets and business to be disposed by Angang Holding or the wholly-owned and controlling subsidiaries of Angang Holding, which are related to the iron and steel business of the Company. (4) If the enterprises in which Angang Holding holds equity interests produce products or engage in business which compete or may compete with the Company, Angang Holding undertakes that it will transfer all the capital contribution, shares or equity interests and grant the Company preemptive rights for such capital contribution, shares or equity interests. (5) If Angang Holding and its whollyowned and holding subsidiaries have assets and business which compete or may compete with the Company, when the Company proposes the purchase requirement, Angang Holding and its wholly-owned and holding subsidiaries will transfer relevant assets and business to the Company with priority based on reasonable prices and conditions according to the processes required by laws.	20 May 2007	Long-term effective	There was no breach of such undertaking

I. PERFORMANCE OF UNDERTAKING (Continued)

(I) The undertakings performed by the de facto controllers, shareholders, related parties, offerors and the Company during the Reporting Period as well as the undertakings that they have not yet performed as at the end of the Reporting Period. (Continued)

Reason for undertaking	Party providing undertaking	Type of undertaking	Details of undertaking	Date of undertaking	Period of undertaking	Performance of undertaking
			(6) During the effective period of the undertakings, on the premise of equal investment qualifications, Angang Holding shall inform the Company first for the opportunity of new business. If the Company accepts such opportunity of new business, Angang Holding shall transfer such new business to the Company for free. Angang Holding and its wholly-owned and holding subsidiaries have the rights to invest in the new business only if the Company expressly refuses such opportunity. If the Company proposes the purchase requirement in the future, Angang Holding a n d its wholly-owned and holding subsidiaries still need to transfer the assets and business formed by such opportunities to the Company with priority based on reasonable prices and conditions. (7) Other effective measures to avoid and eliminate horizontal competition. The above undertakings do not limit the business of Angang Holding and its wholly owned and holding subsidiaries which do not compete with the Company, especially the business of provision of required materials or services necessary for the operation of the Company. All the undertakings made by Angang Holding are based on the national requirements and subject to the adjustments according to the national requirements. Angang Holding is eligible for engaging in business not prohibited by the state.			

I. PERFORMANCE OF UNDERTAKING (Continued)

(I) The undertakings performed by the de facto controllers, shareholders, related parties, offerors and the Company during the Reporting Period as well as the undertakings that they have not yet performed as at the end of the Reporting Period. (Continued)

Reason for undertaking	Party providing undertaking	Type of undertaking	Details of undertaking	Date of undertaking	Period of undertaking	Performance of undertaking
			Such undertakings became effective from the date of issuance, and shall be terminated once one of following conditions occurs: (1) Angang Holding ceases to be the controlling shareholder of the Company; (2) The shares of the Company cease to be listed on any stock exchanges (except for temporary suspension of the shares of the Company due to any reason); (3) When the state does not require the contents of certain undertakings, relevant section shall be terminated automatically. Considering that Angang Holding does not have any iron and steel production projects in production which compete with the Company, therefore, the undertakings made in the undertaking letter shall prevail if any inconsistencies occur between such undertakings and all the undertakings made by Angang Holding concerning the competitions with the Company before the date of the issuance of the undertaking letter.			
Whether the commitments are fulfilled on time			Yes			

I. PERFORMANCE OF UNDERTAKING (Continued)

(II) The explanation provided by the Group for the original profit forecast which assets and projects meet and its reasons in the event that there is a profit forecast for the Group's assets and projects which remain in the profit forecast during the Reporting Period.

☐ Applicable ☑ Not applicable

(III) Performance commitments involved in the Group

☐ Applicable ☑ Not applicable

II. MISAPPROPRIATION OF NON-OPERATING FUNDS OF THE COMPANY BY CONTROLLING SHAREHOLDERS AND OTHER CONNECTED PERSONS

☐ Applicable ☑ Not applicable

There was no misappropriation of non-operating funds of the Group by controlling shareholders and its related persons during the Reporting Period.

III. NON-COMPLIED EXTERNAL GUARANTEE

☐ Applicable ☑ Not applicable

The Group did not provide any illegal external guarantees during the Reporting Period.

IV. EXPLANATION OF THE BOARD REGARDING THE RELATED INFORMATION OF THE LATEST "NON-STANDARD AUDIT OPINION"

☐ Applicable ☑ Not applicable

V. EXPLANATION OF THE BOARD AND THE INDEPENDENT DIRECTORS (IF ANY) REGARDING THE ACCOUNTING FIRM'S "NON-STANDARD AUDIT OPINION" FOR THE REPORTING PERIOD

☐ Applicable ☑ Not applicable

VI. EXPLANATION OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND CORRECTION OF MAJOR ACCOUNTING ERRORS DURING THE YEAR AS COMPARED WITH THE FINANCIAL REPORT OF THE PREVIOUS YEAR

☑ Applicable ☐ Not applicable

1. Changes in the Group's accounting policies during the year

Application of the accounting treatment provisions for standard warehouse warrant transactions set out in the Implementation Q&A on the Financial Instruments Standards.

On 8 July 2025, the Ministry of Finance issued the Implementation Q&A on Accounting Treatment Relating to Standard Warehouse Warrant Transactions, which explicitly stipulates that, pursuant to the Accounting Standards for Financial Instruments Recognition and Measurement, where an enterprise frequently enters into contracts to purchase and sell standard warehouse warrants at a futures exchange to earn price differentials without taking physical delivery of the commodities underlying such warrants, it generally indicates that the enterprise has a practice of reselling the contracted assets within a short period of time after receipt to generate profits from short-term price fluctuations. The enterprise shall treat the contracts for purchase and sale of standard warehouse warrants as financial instruments and account for them in accordance with the Accounting Standards for Financial Instruments Recognition and Measurement. Where an enterprise resells standard warehouse warrants within a short period of time after acquiring them pursuant to the aforementioned contracts, it shall not recognize sales revenue; instead, the difference between the consideration received and the carrying amount of the standard warehouse warrants sold shall be recognized in investment income. Standard warehouse warrants held by the enterprise at the end of the reporting period and not yet sold shall be presented as other current assets.

2. The Group did not experience any changes in accounting estimates or corrections of significant accounting errors during the year.

VII EXPLANATION OF CHANGES OF SCOPE IN CONSOLIDATED STATEMENTS AS COMPARED WITH THE FINANCIAL REPORT OF THE PREVIOUS YEAR

☑ Applicable ☐ Not applicable

The Company established a new wholly-owned subsidiary, Anshan Youcai Trading Co., Ltd.; the Company's subsidiary, Angang Green Gold Industry Development Co., Ltd., established a new wholly-owned subsidiary, Green Gold (Lingyuan) Renewable Resources Co., Ltd.

VIII APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

(I) Accounting Firm Currently Engaged by the Company

Name of the PRC accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of the PRC accounting firm	RMB5 million (including annual financial report audit and internal control audit)
Continued term of auditing service of the PRC accounting firm	3 year
Name of certified public accountants of the PRC accounting firm	Guo Shunxi (郭順璽), Dong Qibin (董其彬)
Continued term of auditing services by certified public accountants of the PRC accounting firm	Guo Shunxi: 1 year; Dong Qibin: 1 year

(II) Whether Appointed Another Accounting Firm During the Period

☐ Applicable ☑ Not applicable

Whether the accounting firm was reappointed during the audit period

☐ Yes ☑ No

(III) Particulars on Appointment of Accounting Firms, Financial Consultants or Sponsors for Internal Control and Auditing Purposes

☑ Applicable ☐ Not applicable

The Company engaged BDO China Shu Lun Pan Certified Public Accountants LLP as the internal control and auditing firm of the Company for 2024 and the remuneration was RMB0.70 million.

VIII APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM (Continued)

(IV) Whether the Accounting Firms Has Changed in the Last Three Years

☐ Applicable ☑ Not applicable

IX DELISTING RISKS AFTER THE DISCLOSURE OF ANNUAL REPORT

☐ Applicable ☑ Not applicable

X BANKRUPTCY REORGANIZATION

☐ Applicable ☑ Not applicable

During the Reporting Period, the Company was not involved in bankruptcy reorganization.

XI MATERIAL LITIGATION AND ARBITRATION

☐ Applicable ☑ Not applicable

The Company was not involved in any material litigation and arbitration during the Reporting Period.

XII PENALTIES AND RECTIFICATIONS

☐ Applicable ☑ Not applicable

The Company has not been subject to any material penalty or rectification during the Reporting Period.

XIII CREDIBILITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

☐ Applicable ☑ Not applicable

XIV MAJOR CONNECTED TRANSACTIONS

The related party transactions set out below fall within the definition relating to "Connected Transaction" or "Continuing Connected Transaction" under Chapter 14A of the Hong Kong Stock Exchange Listing Rules. Relevant related party transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Stock Exchange Listing Rules.

(I) Amount of related transactions related to daily operations:

Date of daily connected transactions: 1 January 2025 to 31 December 2025

Unit: RMB million

Related party	Related relationship	Type of related transaction	Content of related party transaction	Pricing principle of related party transaction	Related party transaction price	Related party transaction amount *(RMB million)*	As a percentage of the amount of similar transactions *(%)*	Transaction Cap *(RMB million)*	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Angang Group Mining Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	15,554	12.06	50,598	No	In cash	–
Angang Green Gold Industry Development Co., Ltd.	Controlling shareholder associate	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	2,909	2.26			In cash	–
Delin Land Port Supply Chain Service Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	2,207	1.71			In cash	–
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	891	0.69			In cash	–
Anshan Iron and Steel Metallurgical Refractory Materials Technology Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	871	0.68			In cash	–
Shanxi Wuchan International Energy Co., Ltd.	Controlling shareholder associate	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	859	0.67			In cash	–
Anshan Iron and Steel Group Refractory Materials Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	787	0.61			In cash	–

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

Related party	Related relationship	Type of related transaction	Content of related party transaction	Pricing principle of related party transaction	Related party transaction price	Related party transaction amount (RMB million)	As a percentage of the amount of similar transactions (%)	Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Benxi Iron and Steel Group Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	708	0.55			In cash	–
Angang Steel Casting Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	507	0.39			In cash	–
Angang Cold Rolled Steel Plate (Putian) Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	397	0.31			In cash	–
Lingyuan Iron and Steel Group Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	319	0.25			In cash	–
Angang Group Engineering and Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	290	0.22			In cash	–
Panzhihua Iron and Steel Group Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	256	0.20			In cash	–
Other Subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Purchase of products[Note 1]	Market	–	412	0.32			In cash	–
Subtotal	–	–	Purchase of products[Note 1]	–	–	26,967	20.92			–	–

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

Related party	Related relationship	Type of related transaction	Content of related party transaction	Pricing principle of related party transaction	Related party transaction price	Related party transaction amount (RMB million)	As a percentage of the amount of similar transactions (%)	Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Delin Land Port Supply Chain Service Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Purchase goods/ Receive services	Acceptance of services [Note 2]	Market	–	2,716	17.16	12,346	No	In cash	–
Angang Group Engineering and Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	1,127	7.12			In cash	–
Angang Group Engineering and Technology Co., Ltd.	Controlling shareholder associate	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	1,119	7.07			In cash	–
Anshan Iron and Steel	Controlling shareholder	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	701	4.43			In cash	–
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	350	2.21			In cash	–
Angang Cold Rolled Steel Plate (Putian) Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	254	1.60			In cash	–
Angang Digital Intelligence Technology (Liaoning) Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	225	1.42			In cash	–
Angang Yingkou Port Co., Ltd.	Controlled by the same controlling shareholder	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	209	1.32			In cash	–
Other Subsidiaries of Angang Group	Controlled by the same controlling shareholder	Purchase of products Acceptance of services Purchase goods/Receive services	Acceptance of services [Note 2]	Market	–	918	5.80			In cash	–
Subtotal	–	–	Acceptance of services [Note 2]	–	–	7,619	48.13			–	–

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

Related party	Related relationship	Type of related transaction	Content of related party transaction	Pricing principle of related party transaction	Related party transaction price	Related party transaction amount *(RMB million)*	As a percentage of the amount of similar transactions *(%)*	Transaction Cap *(RMB million)*	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Delin Land Port Supply Chain Service Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	5,828	4.43	23,260	No	In cash	–
Angang Cold Rolled Steel Plate (Putian) Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	1,541	1.17			In cash	–
Benxi Iron and Steel Group Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	626	0.48			In cash	–
Angang International Economic and Trade Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	553	0.42			In cash	–
Angang Group Zhongyuan Industry Development Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	501	0.38			In cash	–
Lingyuan Iron and Steel Group Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	268	0.20			In cash	–
Anshan Falan Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	238	0.18			In cash	–
Angang Group Engineering and Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	237	0.18			In cash	–
Other Subsidiaries of Angang Group	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Sale of goods Note 1	Market	–	343	0.26			In cash	–
Subtotal	–	–	Sale of goods Note 1	–	–	10,135	7.70			In cash	–

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

Related party	Related relationship	Type of related transaction	Content of related party transaction	Pricing principle of related party transaction	Related party transaction price	Related party transaction amount *(RMB million)*	As a percentage of the amount of similar transactions *(%)*	Transaction Cap *(RMB million)*	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Angang Group	Controlled by the same controlling shareholder	Sale of goods Sale of goods/Provision of services	Provision of services [Note 2]	Market	–	429	15.58	544	No –	In cash	–
Subtotal	–	–	Provision of services [Note 2]	–	–	429	15.58			–	
Angang Group Finance Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Settlement fund deposit interest [Note 3]	Market	–	30	65.22	100	No	In cash	–
Angang Group Finance Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Daily maximum deposit balance [Note 3]	Market	–	4,781	–	5,000	No	–	–
Angang Group Finance Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Credit business interest [Note 3]	Market	–	4	1.38	250	No	In cash	–
Angang Group Finance Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Entrusted loan interest [Note 3]	Market	–	–	–	100	No	In cash	–
Angang Group Capital Holdings Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Commercial factoring [Note 4]	Market	–	–	–	1,000	No	In cash	–
Angang Group Capital Holdings Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Commercial factoring interest [Note 4]	Market	–	–	–	50	No	In cash	–

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

Related party	Related relationship	Type of related transaction	Content of related party transaction	Pricing principle of related party transaction	Related party transaction price	Related party transaction amount (RMB million)	As a percentage of the amount of similar transactions (%)	Transaction Cap (RMB million)	Whether exceeding approved cap	Settlement method of related party transactions	Market price of available similar transactions
Angang Group Capital Holdings Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Daily maximum balance of accounts receivable factoring provided to the company's suppliers Note 4	Market	–	189	–	3,000	No	–	–
Angang Group Capital Holdings Co., Ltd.	Controlled by the same controlling shareholder	Acceptance of financial services	Daily maximum balance of financial leasing Note 4	Market	–	26	–	3,000	No	–	–

Particulars on refund of bulk sale	–
Estimated total amount for continuing connected transactions to be conducted during the period and their actual implementing during the Reporting Period	The estimated data of daily connected transactions of the Group in 2025 is based on the content and the estimated upper limits of transaction amounts set out in the Daily Connected Transaction Framework Agreements. In 2025, the total amount of daily connected transactions did not exceed the relevant upper limits applicable to such categories as specified in the Daily Connected Transaction Framework Agreements. The differences between the actual occurrence amounts and the estimated amounts of certain connected transaction items are due to the impact of changes in commodity prices and trading volumes during actual operations. As the originally estimated data represents the estimated upper limits of transaction amounts, the existence of such differences is a reasonable situation that does not affect or prejudice the interests of non-connected shareholders and the Company.
Reason for the relatively larger difference between transaction price and market reference price	–
Relevant explanation on connected transactions	Steel production features strong continuity. Angang Group has long been engaged in the mining, supply, processing and manufacturing of raw materials, auxiliary materials and energy and power, and constitutes a part of the Group's supply chain. Meanwhile, its internal subsidiaries possess strong technical capabilities and service capacities, which can provide the Group with necessary supporting services for its production and operations. As a customer of the Group, Angang Group also purchases certain products, scrap steel, waste materials and comprehensive services from the Group.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

Notes:

1. The relevant connected transactions are conducted in accordance with the Framework Agreement on Commodity Mutual Supply (2025–2027) entered into between the Company and Angang on 23 October 2024.These transactions guarantee the Group's continuous access to stable and high-quality supply of raw materials, fuels and other commodities. In addition, the Group also sells some products, scrap steel and waste materials to Angang, which is the Company's customer. For details, please refer to the announcement issued by the Company on 23 October 2024.The main terms of the Framework Agreement on Commodity Mutual Supply (2025–2027) are set out below:

    a. Parties: The Company and Angang

    b. Matters: (i) Angang shall provide the Group with main raw materials, fuels, steel products and auxiliary materials; and (ii) the Group shall provide Angang with products, scrap steel and waste materials.

    c. Term: From 1 January 2025 to 31 December 2027.

    d. Payment: Lump-sum payment or installment payment. The payment time will be agreed with reference to commercial practices. The payment method varies according to the type of services, materials and products. The payment terms shall not be less favorable than those provided by or to independent third parties.

    The funds for the above agreements and the transactions contemplated thereunder shall be allocated by the Group using internal resources.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

2. The relevant connected transactions are conducted in accordance with the Framework Agreement on Service Mutual Supply (2025–2027) entered into between the Company and Angang on 23 October 2024.Angang has strong professional capabilities in supporting production services such as design, construction, maintenance and transportation in the iron and steel industry, and can provide the Group with necessary supporting services for production and operation. The Group has strong domestic steel market marketing capabilities and marketing network, and can provide Angang with steel trading services. For details, please refer to the announcement issued by the Company on 23 October 2024.The main terms of the Framework Agreement on Service Mutual Supply (2025–2027) are set out below:

   a. Parties: The Company and Angang

   b. Matters: (i) Angang shall provide supporting services to the Group; and (iv) the Group shall provide comprehensive services to Angang.

   c. Term: From 1 January 2025 to 31 December 2027.

   d. Payment: Lump-sum payment or installment payment. The payment time will be agreed with reference to commercial practices. The payment method varies according to the type of services, materials and products. The payment terms shall not be less favorable than those provided by or to independent third parties.

   The funds for the above agreements and the transactions contemplated thereunder shall be allocated by the Group using internal resources.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

3. The relevant connected transactions are conducted in accordance with the Financial Services Agreement (2025–2027) entered into between the Company and Angang Group Finance Co., Ltd. on 23 October 2024.These transactions help reduce the Group's financial and operational costs and improve capital utilization efficiency, thereby having a positive impact on the Group's operations and development. For details, please refer to the announcement issued by the Company on 23 October 2024.The main terms are set out below:

   a. Parties: The Company and Angang Group Finance Co., Ltd.

   b. Matters: Angang Group Finance Co., Ltd. shall provide financial services to the Group, including (i) deposit services, (ii) settlement services, (iii) loan and entrusted loan services, and (iv) other financial services (including financial and financing advisory services and foreign exchange settlement and sales business services).

   c. Term: From 1 January 2025 to 31 December 2027.

   d. Payment for (i) settlement services and (ii) other financial services: Free of charge.

   e. Receipt and payment of interest: The Company will receive interest from Angang Group Finance Co., Ltd. on deposits with Angang Group Finance Co., Ltd. The Company will pay interest on loans and entrusted loans provided by Angang Group Finance Co., Ltd.

   The payment of loan interest contemplated under the above agreement shall be allocated by the Group using internal resources.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(I) Amount of related transactions related to daily operations: (Continued)

4. The relevant connected transactions are conducted in accordance with the Industrial Financial Services Framework Agreement (2025–2027) entered into between the Company and Angang Group Capital Holdings Co., Ltd. ("**Angang Capital**") on 23 October 2024.These transactions provide the Group with financing channels. The Company can carry out financing business through Angang Capital's financial platform when necessary according to the actual needs of production and operation, which is conducive to improving the Group's capital guarantee capacity. For details, please refer to the announcement issued by the Company on 23 October 2024.The main terms are set out below:

   a. Parties: The Company and Angang Capital

   b. Matters: The subsidiaries of Angang Capital shall provide commercial factoring services to the Group and its independent third-party suppliers, provide financial leasing services (including but not limited to direct leasing, sale and leaseback, operating leasing, etc.) to the Group, as well as comprehensive financial services and related consulting, system development and maintenance services.

   c. Term: From 01 January 2025 to 31 December 2027.

   d. Payment of interest: The Company will pay interest to the subsidiaries of Angang Capital for the commercial factoring and financial leasing services provided by them.

   e. Receipt and payment of interest: The Company will pay service fees to Angang Capital for commercial factoring, financial leasing, comprehensive financial services and related consulting, system development and maintenance services. The Company will not pay any fees for the commercial factoring services provided to its independent third-party suppliers.

   The interest and service fees contemplated under the above agreement shall be allocated by the Group using internal resources.

(II) Related party transactions in relation to asset or equity acquisition or disposal

☐ Applicable ☑ Not applicable

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(III) Related party transactions in relation to joint external investments

☑ Applicable ☐ Not applicable

Unit: RMB million

Joint Investors	Related relationship	Name of the investee	Principal business of the investee	Registered capital of the investee	Total assets of the investee	Net assets of the investee	Net profit of the investee
Angang Green Gold Industry Development Co., Ltd., Benxi Iron and Steel Plate Co., Ltd.	Controlled by the same controlling shareholder	Green Gold (Benxi) Renewable Resources Co., Ltd. Note 1	Renewable resources processing, renewable resources sales, renewable resources recycling.	60	197	69	9
Angang Steel Company Limited, Angang Group Engineering and Technology Development Co., Ltd.	Controlled by the same controlling shareholder	Energy Technology Note 2	Wholesale and retail of compressed gases and liquefied gases; storage and operation of mixed gases and standard gases; inspection and maintenance of special equipment; centralized heating and heat supply for urban civil, public and industrial use; production and sales of thermal supplementary products.	201	640	428	51
Progress of major projects (if any) under construction of the investee		-					

Notes:

1. Pursuant to the JV Agreement dated 28 March 2025 entered into between Angang Steel Green Gold Industry Development Co., Ltd.* (鞍鋼綠金產業發展有限公司) ("Green Gold") and Bengang Steel Plates Co., Ltd.* (本鋼板材股份有限公司) ("Bengang Steel Plates"), Green Gold contributed RMB29,400,000 in cash, representing 49% of the total registered capital of Green Gold (Benxi) Renewable Resources Co., Ltd.* (綠金(本溪)再生資源有限公司) (the "Joint Venture Company"), and Bengang Steel Plates contributed RMB30,600,000 in cash, representing 51% of the total registered capital of the Joint Venture Company, as capital contributions to the Joint Venture Company. Such transactions are conducive to integrating scrap resources in Benxi district, facilitating the rapid construction of a regional resource integration channel, strengthening the ability to coordinate and control the scrap resources in Liaodong, and improving the market competitiveness and profitability of Green Gold. For details, please refer to the announcement published by the Company on 30 March 2025.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(III) Related party transactions in relation to joint external investments (Continued)

Notes: (Continued)

2. On 28 March 2025, the Company entered into the Capital Increase Agreement with Angang Engineering Technology Development Co., Ltd.* (鞍鋼集團工程技術發展有限公司) ("Angang Engineering") and Energy Technology to increase the registered capital of Energy Technology from RMB201 million to RMB301 million on pro rata basis, pursuant to which the Company contributed the sum of RMB60 million by way of cash into the equity capital of Energy Technology. Upon completion of the capital contribution, the Company and Angang Engineering will continue to hold 60% and 40% of the equity interest in Energy Technology respectively, and Energy Technology will remain as a non-wholly-owned subsidiary of the Company. Such transactions are conducive to advancing the Linggang Coke Oven Gas-produced LNG Project, which demonstrates promising revenue prospects, and can increase the Company's investment returns. It aligns with the Company's strategic development direction and will contribute to the growth of the Company's urban energy sector. For details, please refer to the announcement published by the Company on 30 March 2025.

(IV) Related party credit and debt transaction

☑ Applicable ☐ Not applicable

Whether there are any claims or obligations for non-operating purposes during the Reporting Period

☐ Yes ☑ No

There were no claims or obligations for non-operating purposes during the Reporting Period.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(V) Transactions with connected financial company

☑ Applicable ☐ Not applicable

Unit: RMB million

Deposit business

Connected party	Connected relationship	Maximum daily deposit limit	Interest rate range of deposit *(%)*	Opening balance	Amount occurred in the period: Total amount deposited during the period	Amount occurred in the period: Total amount withdrawal during the period	Closing balance
Angang Financial Company	Controlled by the same controlling shareholder	5,000	0.2-1.5	4,006	343,773	344,309	3,470

Loan business

Connected party	Connected relationship	Loan limit	Range of loan facility interest rate *(%)*	Opening balance	Amount occurred in the period: Total loan amount during the period	Amount occurred in the period: Total repayment amount during the period	Closing balance
Angang Financial Company	Controlled by the same controlling shareholder	2,100	2.11	–	615	–	615

Credit extension or other financial business

Connected party	Connected relationship	Business Type	Total amount	Actual amount
Angang Financial Company	Controlled by the same controlling shareholder	Credit	2,100	615

Note: The above transactions are conducted pursuant to the Financial Services Agreement (2025–2027) entered into between the Company and Angang Financial Company on 23 October 2024. For further details, please refer to "XIV. MAJOR CONNECTED TRANSACTIONS – (I) Amount of related transactions related to daily operations" in this section.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(VI) Transaction with connected financial company which is under the control of the Company

☐ Applicable ☑ Not applicable

(VII) Other major connected transactions

Nil.

(VIII) Opinions of independent non-executive Directors

(1) In 2025, the Daily Connected Transactions (i.e. Continuing Connected Transactions) of the Group are part of the Group's ordinary course of business;

(2) In 2025, the Daily Connected Transactions of the Group were conducted (A) in accordance with normal commercial terms (by reference to transactions of a similar nature entered into by similar entities in the PRC); (B) on terms no less favorable than those available to or offered by third parties (if there are no comparable cases available); and (C) on terms that are fair and reasonable to the shareholders of the Company (if there are no references for comparison);

(3) In 2025, the Daily Connected Transactions of the Group were conducted in accordance with the terms set out in the Daily Connected Transaction Framework Agreements, which are fair and reasonable and in the overall interests of the Group and its shareholders;

(4) In 2025, the total amount of the Daily Connected Transactions of the Group did not exceed the relevant upper limits applicable to such categories as specified in the Daily Connected Transaction Framework Agreements. The differences between the actual occurrence amounts and the estimated amounts of certain connected transaction items were relatively significant, due to the impact of changes in commodity prices and trading volumes during actual operations. As the originally estimated data represented the estimated upper limits of transaction amounts, the existence of such differences is a reasonable situation that does not affect or prejudice the interests of non-connected shareholders and the Group.

XIV MAJOR CONNECTED TRANSACTIONS (Continued)

(IX) Opinions of auditors

The auditors have reviewed the non-exempt continuing connected transactions conducted during the year 2025 of the Group and issued a letter to the Board. In respect of the Continuing Connected Transactions disclosed by the Company, the auditors are of the opinion that:

(1) nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transactions have not been approved by the Board of the Company.

(2) for the transactions involving provision of the Group's goods and services, nothing has come to their attention that causes them to believe that the Continuing Connected Transactions were not carried out in accordance with the pricing policies of the Group in all material aspects.

(3) nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transactions were not carried out in accordance with the relevant agreements in all material aspects.

(4) nothing has come to their attention that causes them to believe that the total amount of each Continuing Connected Transaction attached below exceeds the annual caps set by the Company.

XV. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION

(I) Trust, contractual or lease arrangement

1. Trust arrangement

On 30 December 2024, the Company approved the Framework Agreement on Service Mutual Supply (2025–2027) entered into between the Company and Angang at the first extraordinary general meeting of the Company in 2024.The Company entered into the Entrusted Management Services of Asset and Business Agreement with Anshan Iron and Steel as the specific agreement for execution under the approved Framework Agreement on Service Mutual Supply (2025–2027). Pursuant to the Entrusted Management Services of Asset and Business Agreement, Anshan Iron and Steel entrusts the Company to daily operate and manage the assets, businesses, additional future assets and expanded businesses of the unlisted units within its control scope.

During the Reporting Period, there were no entrusted projects which resulted in profit or loss of the Group amounting to more than 10% of the Group's total profit during the Reporting Period.

2. Contractual arrangement

The Company did not enter into any contractual arrangement during the Reporting Period.

3. Lease arrangement

☑ Applicable ☐ Not applicable

The Group uses part of the land and other assets of Angang Steel and its subsidiaries for its production and operation. Pursuant to the asset lease agreements signed between the Group and relevant parties, the Group paid land and other rents to Angang Steel and its subsidiaries with reference to the market principles, with a total amount of RMB66 million in 2025.

During the Reporting Period, there was no lease transaction that generated profit or loss accounting for more than 10% of the total profit of the Group for the period.

XV. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION (Continued)

(II) Material guarantee

☐ Applicable ☑ Not applicable

During the Reporting Period, there was no material guarantee provided by the Group, nor was there any material guarantee subsisting during the Reporting Period.

(III) Entrusted cash assets management

1. Entrusted wealth management

☐ Applicable ☑ Not applicable

The Group did not employ any entrusted financial management services in the Reporting Period.

2. Entrusted loans

☐ Applicable ☑ Not applicable

During the Reporting Period, the Group did not have entrusted loan.

(IV) Other material contract

☐ Applicable ☑ Not applicable

The Company had no other material contracts during the Reporting Period.

XVI. USE OF PROCEEDS FROM RAISED CAPITAL

☐ Applicable ☑ Not applicable

The Group did not have any use of proceeds from raised capital during the Reporting Period.

XVII. EXPLANATION OF OTHER SIGNIFICANT EVENTS

☐ Applicable ☑ Not applicable

The Company had no other material events requiring explanation during the Reporting Period.

XVIII. SIGNIFICANT EVENTS OF THE COMPANY'S SUBSIDIARIES

☐ Applicable ☑ Not applicable

Movement in Share Capital and Shareholders' Profile

I. MOVEMENT IN SHARE CAPITAL

(I) Movement in share capital

Unit: Share

	Before the change		Increase/decrease during the period (+/-)					After the change	
	Number	Percentage (%)	Issue of new shares	Bonus shares	Repurchase of shares	Others	Subtotal	Number	Percentage (%)
I. Shares subject to trading moratorium	14,613,687	0.16				-14,407,437	-14,407,437	206,250	0.00
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic share	14,613,687	0.16				-14,407,437	-14,407,437	206,250	0.00
Including: shares held by domestic legal persons									
shares held by domestic natural persons	14,613,687	0.16				-14,407,437	-14,407,437	206,250	0.00
4. Foreign shares									
Including: shares held by overseas legal person									
shares held by overseas natural person									
II. Shares not subject to trading moratorium	9,368,787,619	99.84				227,389	227,389	9,369,015,008	100.00
1. RMB ordinary shares	7,957,247,619	84.80				227,389	227,389	7,957,475,008	84.93
2. Domestically listed foreign shares									
3. Overseas listed foreign shares	1,411,540,000	15.04						1,411,540,000	15.07
4. Others									
III. Total shares	9,383,401,306	100.00				-14,180,048	-14,180,048	9,369,221,258	100.00

I. MOVEMENT IN SHARE CAPITAL (Continued)

(I) Movement in share capital (Continued)

1. Reasons for movement in share capital:

   On 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares granted but not yet released from restricted sales to 183 incentive participants at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. During the reporting period, changes in the directors and senior executives of the Company resulted in corresponding changes in the number of locked shares held by directors and senior executives. The aforementioned share change factors have caused changes in the number of domestic natural person holdings, other domestic holdings in restricted shares, the number of RMB ordinary shares in unrestricted shares, and the total number of the Company's shares.

2. Approval of movement in share capital:

   On 30 December 2024, the Company's First Extraordinary General Meeting of 2024, Second Class Meeting of Domestic Holders of 2024, and Second Class Meeting of Foreign Holders of 2024 approved the Proposal on the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Released from Restriction to Some Incentive Participants of the 2020 Restricted Share Incentive Plan.

3. Transfer of movement in share capital:

   On 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares granted but not yet released from restriction, held by 183 incentive participants, at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

I. MOVEMENT IN SHARE CAPITAL (Continued)

(I) Movement in share capital (Continued)

4. Impact of movement in share capital on basic earnings per share, diluted earnings per share and net assets per share attributable to ordinary shareholders of the Company for the latest year and latest period

☑ Applicable ☐ Not applicable

In 2025, the total share capital of the Company decreased from 9,383,401,306 shares to 9,369,221,258 shares. Based on the new total share capital of 9,369,221,258 shares, the basic earnings per share for 2024 were -0.760 RMB per share, and the net assets per share attributable to ordinary shareholders of the Company were 5.09 RMB per share. The movement in share capital had no significant impact on the above financial indicators.

5. Other information deemed necessary by the Company or required by securities regulators to be disclosed

☐ Applicable ☑ Not applicable

I. MOVEMENT IN SHARE CAPITAL (Continued)

(II) Changes in shares subject to trading moratorium

Unit: share

Name of shareholder	Number of restricted shares at the beginning of the period	Number of new restricted shares during the Reporting Period	Number of reduced restricted shares during the Reporting Period	Number of restricted shares at the beginning of the period	Reasons for restriction on sales	Date of being released from restriction
Wang Yidong	7,459		7,459	0	All shares held by the Board became fully unlocked six months after the expiration of the term of office.	–
Wang Baojun	133,414		133,414	0	The Company repurchased and cancelled part of the granted but not yet vested restricted shares in accordance with the 2020 Restricted Share Incentive Plan (Draft), and all shares held by the Board became fully unlocked six months after the expiration of the term of office.	–
Tian Yong	150,750		76,500	74,250	Senior Management Locked Shares	–
Zhang Hongjun	99,000	33,000		132,000	100% of the shares held by senior management who resigned within six months were locked.	–
Meng Jinsong	301,500		301,500	0	The Company repurchased and cancelled part of the granted but not yet vested restricted shares in accordance with the 2020 Restricted Share Incentive Plan (Draft).	–
Yang Xu	30,975		30,975	0	All shares held by the Board became fully unlocked six months after the expiration of the term of office.	–
Xu Shishuai	55,811		55,811	0	All shares held by the Board became fully unlocked six months after the expiration of the term of office.	–
Other restricted share incentive participants	13,834,778		13,834,778	0	The Company repurchased and cancelled part of the granted but not yet vested restricted shares in accordance with the 2020 Restricted Share Incentive Plan (Draft).	–
Total	14,613,687	33,000	14,440,437	206,250	–	–

II. ISSUANCE AND LISTING OF SECURITIES

(I) Issuance of securities during the Reporting Period

☐ Applicable ☑ Not applicable

(II) Explanation for the changes in total shares of the Company and shareholding structure and movement in the assets and liability structure of the Company

☑ Applicable ☐ Not applicable

On 28 February 2025, the Company completed the repurchase and cancellation of 14,180,048 restricted shares that had been granted but not yet released from restriction, held by 183 incentive participants, at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. During the Reporting Period, changes in the directors and senior executives of the Company resulted in corresponding changes in the number of locked shares held by directors and senior executives. The above-mentioned share change factors have resulted in changes in the number of domestic legal person holdings, domestic natural person holdings, other domestic holdings in restricted shares, the number of RMB ordinary shares in unrestricted shares, and the total number of the Company's shares.

(III) Existing internal staff shares condition

☐ Applicable ☑ Not applicable

III. SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Number of shareholders and details of shareholding of the Company

Unit: share

The total number of ordinary shareholders of the Company as at the end of the Reporting Period	**91,727, of which were 420 holders of H shares**	**The total number of ordinary shareholders of the Company as at the end of February 2024**	**93,132, of which were 415 holders of H shares**

Details of shareholders with more than 5% of shares or top ten shareholders(excluding shares lent through securities refinancing and lending)

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held as at the end of the Reporting Period	Increase/ decrease during the Reporting Period	Number of ordinary shares held subject to trading moratorium	Number of shares held not subject to trading moratorium	Number of shares pledged, marked or frozen Status of shares	Number
Anshan Iron & Steel Co., Ltd.	State-owned legal person	53.97%	5,056,865,067	40,753,538	0	5,056,865,067	–	–
HKSCC (Nominees) Limited	Overseas legal person	14.96%	1,401,443,676	2,180,590	0	1,401,443,676	–	–
China National Petroleum Corporation	State-owned legal person	9.02%	845,000,000	0	0	845,000,000	–	–
Central Huijin Asset Management Ltd.	State-owned legal person	0.89%	83,650,620	0	0	83,650,620	–	–
Cui Lijie	Domestic natural person	0.88%	82,600,000	82,600,000	0	82,600,000	–	–
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.82%	77,103,812	24,324,785	0	77,103,812	–	–
National Social Security Fund-eight combinations	Others	0.64%	59,678,081	1,918,131	0	59,678,081	–	–
Agricultural Bank of China Limited – CSI 500 Exchange Traded Open-End Index Securities Investment Fund	Others	0.38%	35,416,048	1,513,100	0	35,416,048	–	–
Power Construction Corporation of China	State-owned legal person	0.30%	28,275,300	-28,275,280	0	28,275,300	–	–
China Merchants Bank Co., Ltd. — Guotai CSI Steel Exchange Traded Fund	Others	0.27%	24,887,954	18,215,400	0	24,887,954	–	–

Information on strategic investors or general legal persons becoming among the top 10 shareholders as a result of the placement of new shares	None
Explanations on the connected relationship or concerted action among the shareholders mentioned above	The Company is not aware of any connected relationship among the above-mentioned shareholders of the Company or any party acting in concert as provided in the Procedures for the Administration of Information Disclosure for Changes in Shareholdings of the Shareholders of Listed Companies.
Explanation on the entrustment/entrustment of voting rights or waiver of voting rights involving the above shareholders	None
Special explanation on the existence of repurchase special accounts among the top 10 shareholders	None

III. SHAREHOLDERS AND DE FACTO CONTROLLER (Continued)

(I) Number of shareholders and details of shareholding of the Company (Continued)

Top 10 holders of shares not subject to trading moratorium (excluding shares lent through securities refinancing and lending)			
Name of shareholder	Number of shares held not subject to trading moratorium at the end of the Reporting Period	Type of shares: Type of shares	Type of shares: Number
Anshan Iron & Steel Co., Ltd.	5,056,865,067	RMB ordinary shares	5,056,865,067
HKSCC (Nominees) Limited	1,401,443,676	Overseas-listed foreign shares	1,401,443,676
China National Petroleum Corporation	845,000,000	RMB ordinary shares	845,000,000
Central Huijin Asset Management Ltd.	83,650,620	RMB ordinary shares	83,650,620
Cui Lijie	82,600,000	RMB ordinary shares	82,600,000
Hong Kong Securities Clearing Company Limited	77,103,812	RMB ordinary shares	77,103,812
National Social Security Fund-eight combinations	59,678,081	RMB ordinary shares	59,678,081
Agricultural Bank of China Limited – ChinaAMC CSI 500 Enhanced Index Fund	35,416,048	RMB ordinary shares	35,416,048
Power Construction Corporation of China	28,275,300	RMB ordinary shares	28,275,300
China Merchants Bank Co., Ltd. — Guotai CSI Steel Exchange Traded Fund	24,887,954	RMB ordinary shares	24,887,954

Explanation on the connected relationship or concerted action among the top 10 unrestricted tradable share shareholders, and between the top 10 unrestricted tradable share shareholders and the top 10 shareholders	The Company is not aware of any connected relationship among the above-mentioned shareholders of the Company or any party acting in concert as provided in the Procedures for the Administration of Information Disclosure for Changes in Shareholdings of the Shareholders of Listed Companies.
Description of top ten shareholders holding ordinary shares to participate in securities margin trading business	Among the top 10 shareholders, the 82,600,000 shares held by Cui Lijie were all held through the investor's credit securities account.

III. SHAREHOLDERS AND DE FACTO CONTROLLER (Continued)

(I) Number of shareholders and details of shareholding of the Company (Continued)

Shareholders with more than 5% of shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the refinancing business and lending shares

☐ Applicable ☑ Not applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to lending/repayment of refinancing.

☐ Applicable ☑ Not applicable

Have the Company's top 10 ordinary shareholders, and top 10 ordinary shareholders not subject to trading moratorium, conducted agreed repurchase transactions during the Reporting Period?

☐ Yes ☑ No

The top 10 holders of ordinary shares and the top 10 holders of ordinary shares not subject to trading moratorium of the Company did not make any agreed repurchase transactions during the Reporting Period.

III. SHAREHOLDERS AND DE FACTO CONTROLLER (Continued)

(II) Details of the controlling shareholder of the Company

Nature of controlling shareholder: Central state-controlled enterprise

Type of controlling shareholder: Legal person

Name of Controlling Shareholder	Legal representative/ Person in charge of the entity	Date of incorporation	Organisation code	Principal scope of operation
Angang Holding	Wang Jun	9 July 1949	912103002414200141	Purchase and sales of metal, non-metallic mineral, iron ore and concentrate, processing, passenger transport, transportation of dangerous goods, loading, unloading and handling, warehousing (excluding hazardous chemicals), steel processing, Class III general motor vehicle driver training, Class I motor vehicle maintenance, highway transportation (the above items operated by subsidiaries), railway transportation (internal operation of the Company), thermal power generation (valid until 4 December 2027), industrial and civil gases, refractory earth and stone, ferrous metal, steel rolling products, metal products (excluding franchising), coking products, refractory products, electrical machinery, equipment of electricity transmission and distribution and control equipment, instrumentation, railway telecommunication equipment, metallurgical machinery and equipment and manufacturing of spare parts, contracting for installation projects of housing, highway, railway, mine, smelting, electromechanical, chemical and communication equipment, engineering survey and design, leasing of houses and equipment, software development, development, transfer, consulting, services and training of technology, mining of refractory earth and rock, construction, equipment installation, survey and design, research and services on occupational and labor health, tire retreading, equipment and spare parts, metallurgical materials, alloy and metal materials, sales of steel, iron, vanadium, titanium and coke, processing and treatment of non-metallic waste and scrap, processing and treatment of metal waste and scrap. (Business activities subject to approval in accordance with the law may only be carried out upon approval by the relevant authorities.)
Details of shareholding of other domestic and overseas listed foreign shares by the controlling shareholder during the Reporting Period			Angang Holding held 1.90% shares in Liaoning Port Co. Ltd. (Stock code: 601880).	

III. SHAREHOLDERS AND DE FACTO CONTROLLER (Continued)

(II) Details of the controlling shareholder of the Company (Continued)

Change of controlling shareholder during the Reporting Period

☐ Applicable ☑ Not applicable

The Company had no change in controlling shareholder during the Reporting Period.

(III) Details of de facto controller of the Company as at the end of the Reporting Period

Nature of the de facto controller: Enterprise managed by the State-owned Assets Supervision and Administration Commission of the State Council

Type of the de facto controller: Legal person

Name of de facto controller	Legal representative	Date of incorporation	Organisation code	Principal scope of operation
Angang Group Company Limited	Tan Chengxu	28 July 2010	91210000558190456G	Manufacture of steel, iron, vanadium, titanium, stainless steel and special steel, manufacture of non-ferrous metal, steel rolling and processing, mining and integrated utilisation of steel, vanadium, titanium, other non-ferrous metal and nonmetallic mineral, ancillary industry of mines, power generation with clean energy, sales of coal and related products, production and sales of chemical products, gas (exclusive of dangerous chemicals) and refractory materials, construction of industrial and mining projects as well as metallurgical project, engineering technological service, equipment manufacturing, information service for IOT, technological service for energy saving and environmental protection, R&D of new type of materials, development of recyclable resources, machinery processing, technological development, transfer and related services, service in communication and transportation, real estate development, energy supply of urban area, software and information technological service, intelligent manufacturing and service, domestic and overseas trading, accounting management, tendering services, medical nursing services, occupational skills training, economic information consultation, corporate management, hotel and catering services, operation of other state-owned assets and investment within the scope of authority by the State-owned Assets Supervision and Administration Commission of the State Council. The following businesses operated by the branches of the Company include: publication of newspaper and magazine, publication printing, packaging decoration and printing of other press work. (for projects subject to approval according to laws, business activities may only be carried out after obtaining approval from relevant authorities).
Details of shareholding of other domestic and overseas listed foreign shares by the de facto controller of the Company during the Reporting Period			As of the end of the reporting period, Angang indirectly held 49.90% shares in Pangang Vanadium Titanium (000629.SZ) and indirectly held 76.60% shares in Bengang Steel Plates (000761.SZ); indirectly held 37.46% of the shares of Lingyuan Iron and Steel (600231).	

III. SHAREHOLDERS AND DE FACTO CONTROLLER (Continued)

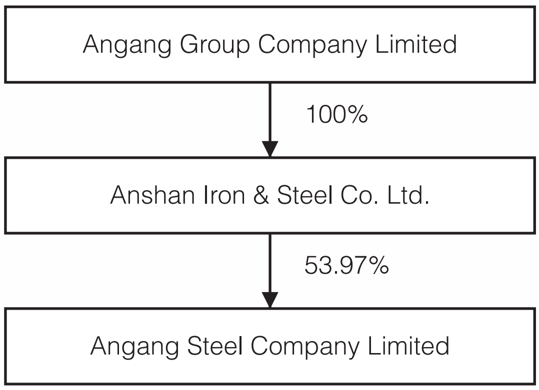
(III) Details of de facto controller of the Company as at the end of the Reporting Period (Continued)

Change of actual controller during the Reporting Period

☐ Applicable ☑ Not applicable

No change in the actual controller of the Company occurred during the Reporting Period.

Block diagram of the property rights and control relationship between the Company and the actual controller



Actual controller controls the Company through trust or other asset management methods

☐ Applicable ☑ Not applicable

(IV) The controlling shareholder or the largest shareholder of the Company and its persons acting in concert have pledged a cumulative total of 80% of the shares held by them in the Company

☐ Applicable ☑ Not applicable

III. SHAREHOLDERS AND DE FACTO CONTROLLER (Continued)

(V) Substantial shareholders and other parties' interests and short positions in the shares and underlying shares of the Company

Save as disclosed below, as at 31 December 2025, no parties (other than Directors, Supervisors and senior management of the Company) had any interest or short position in the shares and underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO:

The Company's common equity at the end of the Reporting Period

Name of shareholder	Number of shares held and Category	Proportion of total equity	Proportion of total issued H shares	Proportion of total issued domestic shares	Identity
Angang Group Company Limited	5,056,865,067 (L) A Shares	53.97%(L)	–	63.55%(L)	Interests of controlled corporation
Anshan Iron & Steel Co., Ltd.	5,056,865,067 (L) A Shares	53.97%(L)	–	63.55%(L)	Beneficial owner
China National Petroleum Corporation	845,000,000 (L) A Shares	9.02%(L)	–	10.62%(L)	Beneficial owner
E Fund Management Co., Ltd.	72,452,000 (L) H Shares	0.77%(L)	5.13%(L)	–	Investment manager

Notes:

(1) (L) – a long position, (S) – a short position, and (P) – a lending pool

(2) Anshan Iron & Steel Co. Ltd is a wholly-owned subsidiary of Angang Group Company Limited. For the purpose of the SFO, Angang Group Company Limited is therefore deemed to be interested in the A Shares held by Anshan Iron & Steel Co. Ltd., holding 5, 056,865,067 A Shares, representing approximately 63.55% of the A Shares and approximately 53.97% of the total share capital of the Company, respectively.

III. SHAREHOLDERS AND DE FACTO CONTROLLER (Continued)

(VI) Restrictions on reduction of shares for the controlling shareholder, de facto controller, party to restructuring and other commitment entity

☐ Applicable ☑ Not applicable

IV. IMPLEMENTATION OF THE SHARE REPURCHASE DURING THE REPORTING PERIOD

Progress on the implementation of the share repurchase

☑ Applicable ☐ Not applicable

Date of disclosing the plan	Shares to be repurchased *(shares)*	Proportion in total share capita	Amount of repurchase *(RMB'0,000)*	Repurchase period	Purpose	Shares repurchase *(shares)*	Proportion of shares repurchased to underlying shares under the share incentive scheme (if any)
28 February 2025	14,180,048	0.1511%	2,649.99	–	Cancellation of certain restricted shares granted but not released from restricted sales, which are held by original participants who have become unqualified under the scheme	14,180,048	–

Progress on the implementation of reduction in the holding of repurchased shares by way of centralised bidding

☐ Applicable ☑ Not applicable

V. INFORMATION ON PREFERENCE SHARES

☐ Applicable ☑ Not applicable

There were no preference shares of the Company during the reporting period.

Relevant Information on Bonds

I. COMPANY BONDS

☐ Applicable ☑ Not applicable

During the Reporting Period, the Company did not have company bonds.

II. CORPORATE BONDS

☐ Applicable ☑ Not applicable

During the Reporting Period, the Company did not have corporate bonds.

III. NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS

☑ Applicable ☐ Not applicable

(I) Basic information of non-financial enterprise debt financing instruments

Unit: RMB million

Bond name	Bond abbreviation	Bond code	Issue date	Value date	Maturity date	Bond balance	Interest rate	Way of principal and interest repayment	Trading place
First issue of Green Medium-Term Notes of the Company in 2022	22 Angang Steel GN001	132280095	26 September 2022	28 September 2022	28 September 2025	0	2.85%	Principal paid in lump sum at maturity, interest paid once every year	Interbank bond
Investor eligibility arrangement (if any)	-								
Applicable trading mechanism	-								
Risk of termination of listing and trading (if any) and countermeasures	-								

Overdue bonds

☐ Applicable ☑ Not applicable

III. NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS (Continued)

(II) Triggering of terms on the issuer's or investor's right to choose and investor protection and enforcement

☐ Applicable ☑ Not applicable

(III) Agency

Bond programme name	Agency name	Business Address	Name of the signing accountant	Contact person of the agency	Contact number
First issue of Green Medium-Term Notes of the Company in 2022	Bank of China Limited	1 Fuxingmennei Avenue, Xicheng District, Beijing		Zhang Shun	010-66595482

Change in the aforesaid agency/agencies during the Reporting Period

☐ Yes ☑ No

III. NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS (Continued)

(IV) Use of proceeds

Unit: RMB million

Bond programme name	Total amount of proceeds	Agreed use of proceeds	Used amount	Unused amount	Operation of the special account for proceeds (if any)	Rectification of rule-violating uses of proceeds (if any)	Consistency with the purpose, plan of use or other covenants promised in the prospectus
First issue of Green Medium-Term Notes of the Company in 2022	300	All proceeds will be used for the construction of the issuer's green projects.	270	30	The special account for proceeds was under the special supervision of the bank and was legal and compliant, and the use and management of proceeds were transparent and conformed to regulations.	–	Yes

III. NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS (Continued)

(IV) Use of proceeds (Continued)

Use of proceeds for construction projects

☑ Applicable ☐ Not applicable

Construction projects where proceeds were used were in line with the plan, and the progress and operation of the projects have basically met expectations.

The Company changed the purpose of the above proceeds from bonds during the Reporting Period

☐ Applicable ☑ Not applicable

(V) Credit rating result adjustments during the Reporting Period

☐ Applicable ☑ Not applicable

(VI) Implementation and change of guarantees, debt repayment plans and other debt repayment guarantee measures during the Reporting Period and their impact on the rights and interests of bond investors

☐ Applicable ☑ Not applicable

IV. A SHARE CONVERTIBLE DEBENTURES

☐ Applicable ☑ Not applicable

During the Reporting Period, the Company did not have A share convertible debentures.

V. LOSSES IN THE SCOPE OF CONSOLIDATED STATEMENTS DURING THE REPORTING PERIOD EXCEEDING 10% OF NETS ASSETS AS AT THE END OF THE PREVIOUS YEAR

☐ Applicable ☑ Not applicable

VI. OVERDUE INTEREST-BEARING DEBT OTHER THAN BONDS AT THE END OF THE REPORTING PERIOD

☐ Applicable ☑ Not applicable

VII. WHETHER THERE WAS ANY NON-COMPLIANCE WITH THE REGULATIONS DURING THE REPORTING PERIOD

☐ Yes ☑ No

VIII. PRINCIPAL ACCOUNTING FIGURES AND FINANCIAL INDICATORS OF THE GROUP FOR THE PAST TWO YEARS AS AT THE END OF THE REPORTING PERIOD

Unit: RMB million

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase/decrease at the end of the Reporting Period as compared with the end of the previous year
Current ratio	**0.56**	0.72	-22.22%
Gearing ratio	**53.17%**	51.61%	Increased by 1.56 percentage points
Quick ratio	**0.29**	0.34	-14.71%

	During the Reporting Period	Corresponding period of the previous year	Increase/decrease for the Reporting Period as compared with the corresponding period of the previous year
Net profit after deduction of nonrecurring profit and loss items	**-4,218**	-7,202	41.43%
EBITDA to total debts ratio	**1.56%**	-5.10%	Increased by 6.66 percentage points
Interest coverage ratio	**-10.57**	-21.77	51.45%
Cash interest coverage ratio	**6.49**	-1.73	475.14%
EBITDA interest coverage ratio	**2.37**	-8.54	127.75%
Loan payment ratio	**100%**	100%	–
Interest payment ratio	**100%**	100%	–

Annual General Meeting

The 2025 annual general meeting will be held on 29 May 2026 (Friday). details of which and the proposed resolutions are set out in the accompanying notice of annual general meeting of the Company.

Auditor's Report

Xin Kuai Shi Bao Zi [2026]No. ZG10364

To the Shareholders of Angang Steel Company Limited：

Opinion

We have audited the accompanying financial statements of Angang Steel Company Limited ("**Company**"), which comprise the consolidated and company's balance sheets as at December 31, 2025, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at December 31, 2025, and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Our Opinion

We conducted our audit in accordance with China Standards on Auditing ("**CSAs**"). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Standard on Independence No. 1 – Independence Requirements for Audit and Review Engagements and the Code of Ethics for Certified Public Accountants. We have fulfilled our other ethical responsibilities and complied with the independence requirements applicable to audits of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

We identified the following key audit matters in our audit.

Key Audit Matters	How these matters were addressed in the audit
Revenue recognition	
Please consult the notes to the financial statements under "IV. Significant accounting policies and estimates" section 19, Revenue Accounting Policies, and "VI. Notes to consolidated financial statements "section 44, Operating revenue and operating cost. In the fiscal year 2025, the recognized operating income in the Company's consolidated financial statements stands at 96,052 million, representing an 8.61% decrease compared to the previous year's figure. As revenue is a critical indicator of the company's performance, the management of the Company may be exposed to a significant risk of misstatement in revenue recognition. Therefore, we have identified this as a key audit matter.	Audit procedures performed for revenue recognition mainly include: 1. Understanding and assessing the effectiveness of management's design and execution of key internal controls related to the revenue recognition. 2. Selecting samples to examine the sales contracts, identifying the contract terms and conditions associated with the transfer of commodity control, and assessing whether the company's revenue recognition time adheres to the requirements of the accounting standards for enterprises. 3. Acquiring the sales details for the current year, selecting samples of the revenue transactions recorded in the current year, examining the supportive documents such as sales contracts, invoices, and assessing whether the pertinent revenue recognition adheres to the company's accounting policies.

Key Audit Matters (Continued)

We identified the following key audit matters in our audit. (Continued)

Key Audit Matters	How these matters were addressed in the audit
Revenue recognition	4. In conjunction with the accounts receivable audit procedures, conducting confirmation procedures by sampling customers regarding the sales revenue during the reporting period. 5. Examining sales to related parties and reviewing the fairness of the related party transaction prices. 6. Selecting samples of revenue recognition transactions before and after the balance sheet date, examining the original documents related to revenue recognition, and assessing whether the revenue is recorded in the appropriate accounting period. 7. We have verified whether the information related to operating revenue has been properly presented in the financial statements.

Other Information

Management of the Company ("**Management**") is responsible for the other information. The other information comprises all of the information included in the 2025 annual report of the Company, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor' s Responsibilities for the Audit of the Financial Statements (Continued)

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO CHINA Shu Lun Pan Certified Public Accountants LLP	Certified Public Accountant of China: Guo Shunxi (Engagement partner)
	Certified Public Accountant of China: Dong Qibin
Shanghai, China	March 30, 2026

Consolidated Balance Sheet

As at 31 December, 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	*Notes*	**31 December 2025**	31 December 2024
Current assets：			
Cash and cash equivalents	VI.1	**3,913**	4,544
Held-for-trading financial assets	VI.2	**20**	15
Derivative financial assets	VI.3	**4**	
Notes receivable	VI.4	**315**	55
Accounts receivable	VI.5	**3,083**	2,952
Receivables financing	VI.6	**1,480**	918
Prepayments	VI.7	**2,482**	3,189
Other receivables	VI.8	**95**	66
Including: Interests receivable			
Dividends receivable			
Inventories	VI.9	**11,993**	14,769
Other current assets	VI.10	**1,107**	1,742
Total current assets		**24,492**	28,250
Non-current assets:			
Long-term equity investments	VI.11	**4,211**	3,840
Other equity instrument investments	VI.12	**675**	690
Other non-current financial assets	VI.13	**142**	104
Fixed assets	VI.14	**55,272**	51,842
Construction in progress	VI.15	**2,373**	5,802
Right-of-use assets	VI.16	**105**	123
Intangible assets	VI.17	**6,352**	6,710
Deferred income tax assets	VI.18	**2,169**	2,296
Other non-current assets	VI.19	**256**	921
Total non-current assets		**71,555**	72,328
Total assets		**96,047**	100,578

Consolidated Balance Sheet (Continued)

As at 31 December, 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	31 December 2025	31 December 2024
Current liabilities:			
Short-term loans	VI.21	**8,070**	1,174
Derivative financial liabilities	VI.22	**1**	1
Notes payable	VI.23	**19,318**	17,957
Accounts payable	VI.24	**5,908**	8,281
Contract liabilities	VI.25	**4,738**	4,557
Staff remuneration payable	VI.26	**112**	97
Tax payable	VI.27	**146**	144
Other payables	VI.28	**4,273**	6,066
Including: Interests payable			
Dividends payable	VI.28		1
Non-current liabilities due within one year	VI.29	**619**	700
Other current liabilities	VI.30	**437**	462
Total current liabilities		**43,622**	39,439
Non-current liabilities:			
Long-term loans	VI.31	**6,121**	10,991
Bonds payable	VI.32		
Lease liability	VI.33	**36**	125
Long-term payables	VI.34	**321**	367
Long-term employee benefits payable	VI.35	**40**	50
Deferred income	VI.36	**924**	844
Deferred income tax liabilities	VI.18	**1**	91
Total non-current liabilities		**7,443**	12,468
Total liabilities		**51,065**	51,907

Consolidated Balance Sheet (Continued)

As at 31 December, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	*Notes*	**31 December 2025**	31 December 2024
Shareholders' equity:			
Share capital	VI.37	**9,369**	9,383
Capital reserve	VI.38	**34,155**	33,920
Less: Treasury shares	VI.39		27
Other comprehensive income	VI.40	**201**	215
Special reserve	VI.41	**87**	52
Surplus reserve	VI.42	**4,457**	4,457
Retained earnings	VI.43	**(4,389)**	(321)
Subtotal of Shareholders' equity attributable to shareholders of parent company		**43,880**	47,679
Minority interests		**1,102**	992
Total shareholders' equity		**44,982**	48,671
Total liabilities and shareholders' equity		**96,047**	100,578

Legal representative:	*Financial controller:*	*Person in charge of accounting department:*
Wang Jun	**Li Jingdong**	**Ma Li**

Consolidated Income Statement

For the twelve months ended 31 December 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
I. Total operating revenue		**96,052**	105,101
Including: Operating revenue	VI.44	**96,052**	105,101
II. Total operating cost		**100,622**	112,308
Including: Operating cost	VI.44	**97,255**	108,825
Taxes and surcharges	VI.45	**954**	850
Selling expenses	VI.46	**534**	560
Administrative expenses	VI.47	**1,096**	1,339
Research and development expenses	VI.48	**478**	468
Finance expenses	VI.49	**305**	266
Including: Interest expenses	VI.49	**332**	285
Interest income	VI.49	**46**	56
Add: Other incomes	VI.50	**455**	217
Investment income (Loss is listed with "-")	VI.51	**503**	556
Including: Investment incomes in associates and joint ventures	VI.51	**575**	563
Gain from fair-value changes (Loss is listed with "-")	VI.52	**53**	71
Credit impairment losses (Loss is listed with "-")	VI.53	**(6)**	(2)
Impairment on assets (Loss is listed with "-")	VI.54	**(348)**	(680)
Gains on disposal of assets (Loss is listed with "-")	VI.55	**16**	92
III. Operating profit (Loss is listed with "-")		**(3,897)**	(6,953)
Add: Non-operating income	VI.56	**44**	38
Less: Non-operating expenses	VI.57	**41**	120
IV. Profit before tax (Loss is listed with "-")		**(3,894)**	(7,035)
Less: Income tax expenses	VI.58	**99**	59

For the twelve months ended 31 December 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
V. Net profit (Loss is listed with "-")		**(3,993)**	(7,094)
(I) Classification of business operation			
1. Continuous operation profit (Loss is listed with "-")		**(3,993)**	(7,094)
2. Termination of business operating profit (Loss is listed with "-")			
(II) Classification of ownership			
1. Net income attributable to the Company owners		**(4,068)**	(7,122)
2. Net income attributable to minority shareholders		**75**	28
VI. Other comprehensive income after tax	VI.59	**(14)**	39
Other comprehensive income after tax attributable to parent company owners	VI.59	**(14)**	39
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss	VI.59	**(14)**	39
1. Net gain on other equity instruments at fair value through other comprehensive income	VI.59	**(13)**	38
2. The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method	VI.59	**(1)**	1
(II) Other comprehensive income which will be reclassified subsequently to profit or loss			
1. The shares of the other comprehensive income which can be reclassified in profit or loss of the invested company in equity method			
Other comprehensive income after tax attributable to minority shareholders			

Consolidated Income Statement (Continued)

For the twelve months ended 31 December 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
VII. Total comprehensive income		**(4,007)**	(7,055)
Total comprehensive income attributed to the Company owners		**(4,082)**	(7,083)
Total comprehensive income attributable to minority shareholders		**75**	28
VIII. Earnings per share			
Basic earnings per share *(RMB/share)*	XXI.2	**(0.434)**	(0.759)
Diluted earnings per share *(RMB/share)*	XXI.2	**(0.434)**	(0.759)

Legal representative:	*Financial controller*:	*Person in charge of accounting department*:
Wang Jun	**Li Jingdong**	**Ma Li**

Consolidated Cash Flow Statement

For the twelve months ended 31 December 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
I. Cash Flows from Operating Activities:			
Cash received from sales and services		**101,944**	95,381
Taxes and surcharges refunds		**46**	115
Other cash receipts related to operating activities	VI.60	**705**	663
Sub-total of cash inflows from operating activities		**102,695**	96,159
Cash payments for goods purchased and services received		**93,587**	90,248
Cash payments to and on behalf of employees		**4,014**	4,143
Payments of taxes and surcharges		**1,572**	1,182
Other cash payments relating to operating activities	VI.60	**1,734**	1,373
Sub-total of cash outflows from operating activities		**100,907**	96,946
Net Cash Flows from Operating Activities	VI.61	**1,788**	(787)
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and returns of investments			1
Cash receipts from returns on investments		**507**	347
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		**98**	90
Other cash receipts relating to investing activities	VI.60	**2,952**	289
Sub-total of cash inflows from investing activities		**3,557**	727

Consolidated Cash Flow Statement (Continued)

For the twelve months ended 31 December 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets		**4,634**	3,251
Cash payments to acquire investments		**242**	113
Other cash payments relating to investing activities	VI.60	**2,580**	1,090
Sub-total of cash outflows from investing activities		**7,456**	4,454
Net Cash Flows from Investing Activities		**(3,899)**	(3,727)
III. Cash Flows from Financing Activities:			
Cash received from investments		**40**	72
Including: cash receipts from minorities making investment in subsidiaries		**40**	72
Cash receipts from borrowings		**21,426**	19,359
Other cash receipts relating to financing activities	VI.60	**17**	80
Sub-total of cash inflows from financing activities		**21,483**	19,511
Cash repayments of amounts borrowed		**19,553**	13,383
Cash payments for distribution of dividends or profit or interest expenses		**344**	276
Including: payments for distribution of dividends or profit to minorities of subsidiaries		**6**	20
Other cash payments relating to financing activities	VI.60	**115**	113
Sub-total of cash outflows from financing activities		**20,012**	13,772
Net Cash Flows from Financing Activities		**1,471**	5,739

For the twelve months ended 31 December 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
V. Net Increase in Cash and Cash Equivalents	VI.61	**(640)**	1,225
Add: Opening balance of Cash and Cash Equivalents	VI.61	**4,544**	3,319
VI. Closing Balance of Cash and Cash Equivalents	VI.61	**3,904**	4,544

Legal representative:	*Financial controller:*	*Person in charge of accounting department:*
Wang Jun	**Li Jingdong**	**Ma Li**

Consolidated Statement of Changes in Shareholders' Equity

As at 31 December, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Year 2025									
	Equity attributable to parent company									
	Share Capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	Total Shareholders' equity
I. Balance at the end of prior year	9,383	33,920	27	215	52	4,457		(321)	992	48,671
Add: Changes in accounting policies										
Merger of enterprises under the same control										
Others										
II. Balance at the beginning of current year	9,383	33,920	27	215	52	4,457		(321)	992	48,671
III. Current period increase (or less: decrease)	(14)	235	(27)	(14)	35			(4,068)	110	(3,689)
(I) Total comprehensive income				(14)				(4,068)	75	(4,007)
(II) Capital contributed or withdrew by owners	(14)	235	(27)						40	288
1. Ordinary shares contributed by owners	(14)	(13)	(27)						40	40
2. Amount of share-based payment included										
3. Others		248								248
(III) Profit Distribution									(6)	(6)
1. Withdrawal surplus reserves										
2. Distribution to shareholders									(6)	(6)
3. Others										
(IV) Internal carryforward of shareholders' equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Other comprehensive income carried forward to retained earnings										
5. Others										
(V) Special Reserve					35				1	36
1. Current withdrawal					189				6	195
2. Current use					(154)				(5)	(159)
IV. Balance as at 31 December, 2025	9,369	34,155		201	87	4,457		(4,389)	1,102	44,982

Legal representative : **Wang Jun**

Financial controller : **Li Jingdong**

Person in charge of accounting department : **Ma Li**

Consolidated Statement of Changes in Shareholders' Equity (Continued)

As at 31 December, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Year 2024									
	Equity attributable to parent company									
	Share Capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	Total Shareholders' equity
I. Balance at the end of prior year	9,384	33,906	32	176	69	4,457		6,801	844	55,605
Add: Changes in accounting policies										
Merger of enterprises under the same control										
Others										
II. Balance at the beginning of current year	9,384	33,906	32	176	69	4,457		6,801	844	55,605
III. Current period increase (or less: decrease)	(1)	14	(5)	39	(17)			(7,122)	148	(6,934)
(I) Total comprehensive income				39				(7,122)	28	(7,055)
(II) Capital contributed or withdrew by owners	(1)	14	(5)						140	158
1. Ordinary shares contributed by owners	(1)		(5)						72	76
2. Amount of share-based payment included										
3. Others		14							68	82
(III) Profit Distribution									(20)	(20)
1. Withdrawal surplus reserves										
2. Distribution to shareholders									(20)	(20)
3. Others										
(IV) Internal carryforward of shareholders' equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Other comprehensive income carried forward to retained earnings										
5. Others										
(V) Special Reserve					(17)					(17)
1. Current withdrawal					172				5	177
2. Current use					(189)				(5)	(194)
IV. Balance as at 31 December, 2024	9,383	33,920	27	215	52	4,457		(321)	992	48,671

Legal representative:	*Financial controller:*	*Person in charge of accounting department:*
Wang Jun	**Li Jingdong**	**Ma Li**

Balance Sheet

As at 31 December, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	31 December 2025	31 December 2024
Current assets:			
Cash and cash equivalents		**2,213**	2,293
Held-for-trading financial assets		**20**	15
Derivative financial assets		**4**	
Notes receivable		**276**	50
Accounts receivable	XVIII.1	**3,218**	2,716
Receivables financing		**1,153**	674
Prepayments		**2,008**	2,566
Other receivables	XVIII.2	**22**	53
Including: Interests receivable			
Dividends receivable			
Inventories		**9,242**	11,645
Other current assets		**788**	1,519
Total current assets		**18,944**	21,531
Non-current assets:			
Long-term equity investments	XVIII.3	**14,606**	14,346
Other equity instrument investments		**675**	690
Other non-current financial assets		**142**	104
Fixed assets		**46,883**	43,864
Construction in progress		**2,054**	5,030
Right-of-use assets		**61**	122
Intangible assets		**5,494**	5,828
Deferred income tax assets		**2,056**	2,203
Other non-current assets		**252**	907
Total non-current assets		**72,223**	73,094
Total assets		**91,167**	94,625

Balance Sheet (Continued)

As at 31 December, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	31 December 2025	31 December 2024
Current liabilities:			
Short-term loans		**7,470**	710
Derivative financial liabilities		**1**	1
Notes payable		**18,431**	17,230
Accounts payable		**4,402**	6,656
Contract liabilities		**5,155**	4,297
Staff remuneration payable		**100**	87
Tax payable		**94**	97
Other payables		**4,553**	6,673
Including: Interests payable			
Dividends payable			
Non-current liabilities due within one year		**579**	700
Other current liabilities		**111**	131
Total current liabilities		**40,896**	36,582
Non-current liabilities:			
Long-term loans		**5,896**	10,862
Bonds payable			
Lease liability			124
Long-term payables		**321**	367
Long-term employee benefits payable		**39**	49
Deferred income		**663**	670
Deferred income tax liabilities			89
Total non-current liabilities		**6,919**	12,161
Total liabilities		**47,815**	48,743

Balance Sheet (Continued)

As at 31 December, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	31 December 2025	31 December 2024
Shareholders' equity:			
Share capital		**9,369**	9,383
Capital reserve		**27,140**	26,905
Less: Treasury shares			27
Other comprehensive income		**201**	215
Special reserve		**72**	31
Surplus reserve		**4,447**	4,447
Retained earnings		**2,123**	4,928
Total shareholders' equity		**43,352**	45,882
Total liabilities and shareholders' equity		**91,167**	94,625

Legal representative: **Wang Jun**

Financial controller: **Li Jingdong**

Person in charge of accounting department: **Ma Li**

Income Statement

For the twelve months ended 31 December 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
I. Total operating revenue		**81,371**	88,458
Including: Operating revenue	XVIII.4	**81,371**	88,458
II. Total operating cost		**85,619**	95,177
Including: Operating cost	XVIII.4	**82,835**	92,097
Taxes and surcharges		**750**	664
Selling expenses		**350**	475
Administrative expenses		**885**	1,147
Research and development expenses		**449**	410
Finance expenses		**350**	324
Including: Interest expenses		**356**	316
Interest income		**28**	32
Add: Other incomes		**273**	102
Investment income (Loss is listed with "-")	XVIII.5	**1,444**	675
Including: Investment incomes in associates and joint ventures	XVIII.5	**527**	540
Gain from fair-value changes (Loss is listed with "-")		**53**	71
Credit impairment losses (Loss is listed with "-")		**(2)**	(1)
Impairment on assets (Loss is listed with "-")		**(262)**	(621)
Gains on disposal of assets (Loss is listed with "-")		**7**	35

Income Statement (Continued)

For the twelve months ended 31 December 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	**January to December 2025**	January to December 2024
III. Operating profit (Loss is listed with "-")		**(2,735)**	(6,398)
Add: Non-operating income		**27**	30
Less: Non-operating expenses		**37**	116
IV. Profit before tax (Loss is listed with "-")		**(2,745)**	(6,484)
Less: Income tax expenses		**60**	10
V. Net profit (Loss is listed with "-")		**(2,805)**	(6,494)
(I) Classification of business operation			
1. Continuous operation profit (Loss is listed with "-")		**(2,805)**	(6,494)
2. Termination of business operating profit (Loss is listed with "-")			
(II) Classification of ownership			
1. Net income attributable to the Company owners		**(2,805)**	(6,494)
2. Net income attributable to minority shareholders			

For the twelve months ended 31 December 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
VI. Other comprehensive income after tax		**(14)**	39
Other comprehensive income after tax attributable to parent company owners		**(14)**	39
(I) Other comprehensive income which cannot be reclassified subsequently to profit or loss		**(14)**	39
1. Net gain on other equity instruments at fair value through other comprehensive income		**(13)**	38
2. The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method		**(1)**	1
(II) Other comprehensive income which will be reclassified subsequently to profit or loss			
1. The shares of the other comprehensive income which can be reclassified in profit or loss of the invested company in equity method			
Other comprehensive income after tax attributable to minority shareholders			
VII. Total comprehensive income		**(2,819)**	(6,455)
Total comprehensive income attributed to the Company owners		**(2,819)**	(6,455)
Total comprehensive income attributable to minority shareholders			

Legal representative：	*Financial controller：*	*Person in charge of accounting department：*
Wang Jun	**Li Jingdong**	**Ma Li**

Cash Flow Statement

For the twelve months ended 31 December 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
I. Cash Flows from Operating Activities:			
Cash received from sales and services		**87,832**	81,528
Taxes and surcharges refunds		**24**	71
Other cash receipts related to operating activities		**451**	525
Sub-total of cash inflows from operating activities		**88,307**	82,124
Cash payments for goods purchased and services received		**81,070**	77,211
Cash payments to and on behalf of employees		**3,376**	3,485
Payments of taxes and surcharges		**898**	761
Other cash payments relating to operating activities		**1,439**	1,196
Sub-total of cash outflows from operating activities		**86,783**	82,653
Net Cash Flows from Operating Activities		**1,524**	(529)

For the twelve months ended 31 December 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	Notes	January to December 2025	January to December 2024
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and returns of investments			1
Cash receipts from returns on investments		**1,486**	483
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		**71**	24
Other cash receipts relating to investing activities		**2,732**	263
Sub-total of cash inflows from investing activities		**4,289**	771
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets		**3,822**	2,664
Cash payments to acquire investments		**183**	217
Other cash payments relating to investing activities		**2,378**	1,090
Sub-total of cash outflows from investing activities		**6,383**	3,971
Net Cash Flows from Investing Activities		**(2,094)**	(3,200)

Cash Flow Statement (Continued)

For the twelve months ended 31 December 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

Item	*Notes*	**January to December 2025**	January to December 2024
III. Cash Flows from Financing Activities:			
Cash received from investments			
Cash receipts from borrowings		**21,840**	19,161
Other cash receipts relating to financing activities		**169**	151
Sub-total of cash inflows from financing activities		**22,009**	19,312
Cash repayments of amounts borrowed		**20,938**	14,141
Cash payments for distribution of dividends or profit or interest expenses		**356**	298
Including: payments for distribution of dividends or profit to minorities of subsidiaries			
Other cash payments relating to financing activities		**233**	110
Sub-total of cash outflows from financing activities		**21,527**	14,549
Net Cash Flows from Financing Activities		**482**	4,763
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
V. Net Increase in Cash and Cash Equivalents		**(88)**	1,034
Add: Opening balance of Cash and Cash Equivalents		**2,293**	1,259
VI. Closing Balance of Cash and Cash Equivalents		**2,205**	2,293

Legal representative: **Wang Jun**

Financial controller: **Li Jingdong**

Person in charge of accounting department: **Ma Li**

Statement of Changes in Shareholders' Equity

As at 31 December, 2025   Prepared by: Angang Steel Company Limited   Monetary unit: RMB million

	Year 2025									
	Equity attributable to parent company									
Item	Share Capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	Total Shareholders' equity
I. Balance at the end of prior year	9,383	26,905	27	215	31	4,447		4,928		45,882
Add: Changes in accounting policies										
Others										
II. Balance at the beginning of current year	9,383	26,905	27	215	31	4,447		4,928		45,882
III. Current period increase (or less: decrease)	(14)	235	(27)	(14)	41			(2,805)		(2,530)
(I) Total comprehensive income				(14)				(2,805)		(2,819)
(II) Capital contributed or withdrew by owners	(14)	235	(27)							248
1. Ordinary shares contributed by owners	(14)	(13)	(27)							
2. Amount of share-based payment included										
3. Others		248								248
(III) Profit Distribution										
1. Withdrawal surplus reserves										
2. Distribution to shareholders										
3. Others										
(IV) Internal carryforward of shareholders' equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Other comprehensive income carried forward to retained earnings										
5. Others										
(V) Special Reserve					41					41
1. Current withdrawal					139					139
2. Current use					(98)					(98)
IV. Balance as at 31 December, 2024	9,369	27,140		201	72	4,447		2,123		43,352

Legal representative:	Financial controller:	Person in charge of accounting department:
Wang Jun	**Li Jingdong**	**Ma Li**

Statement of Changes in Shareholders' Equity (Continued)

As at 31 December, 2025 Prepared by: Angang Steel Company Limited Monetary unit: RMB million

	Year 2024									
	Equity attributable to parent company									
Item	Share Capital	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	Total Shareholders' equity
I. Balance at the end of prior year	9,384	26,895	32	176	38	4,447		11,422		52,330
Add: Changes in accounting policies										
Others										
II. Balance at the beginning of current year	9,384	26,895	32	176	38	4,447		11,422		52,330
III. Current period increase (or less: decrease)	(1)	10	(5)	39	(7)			(6,494)		(6,448)
(I) Total comprehensive income				39				(6,494)		(6,455)
(II) Capital contributed or withdrew by owners	(1)	10	(5)							14
1. Ordinary shares contributed by owners	(1)		(5)							4
2. Amount of share-based payment included										
3. Others		10								10
(III) Profit Distribution										
1. Withdrawal surplus reserves										
2. Distribution to shareholders										
3. Others										
(IV) Internal carryforward of shareholders' equity										
1. Transfer of capital reserve to capital										
2. Transfer of surplus reserve to capital										
3. Surplus reserve to cover losses										
4. Other comprehensive income carried forward to retained earnings										
5. Others										
(V) Special Reserve					(7)					(7)
1. Current withdrawal					130					130
2. Current use					(137)					(137)
IV. Balance as at 31 December, 2023	9,383	26,905	27	215	31	4,447		4,928		45,882

Legal representative:	*Financial controller:*	*Person in charge of accounting department:*
Wang Jun	**Li Jingdong**	**Ma Li**

I. CORPORATE PROFILE

Angang steel company limited(Hereinafter referred to as "**the company**")is a joint stock limited company established on 8 May 1997，Currently headquartered in Anshan Iron and Steel Factory, Tiexi District, Anshan City, Liaoning Province, China.

This financial statement was approved and presented by the board of directors of the company on March 30, 2026.

As of the end of this period, the subsidiary companies included in the consolidation scope of the company are detailed in Note IX "Interests in other entities". The Company added 2 subsidiary in the current period, please refer to Note VIII "Changes in Consolidation Scope" for details.

The main business of our company and its subsidiaries (hereinafter referred to as "**the Group**") is ferrous metal smelting and steel rolling processing.

II. Preparation basis of the financial statements

The Group has evaluated the continuous operations ability for the 12 months from December 31, 2025, and has not found any matters or circumstances that have significant doubts about the continuous operations ability. Therefore, the financial statements are prepared on the assumption of going concern principle.

In addition, the Group has prepared this report based on the actual transactions and events and in accordance with the Basic Standard and 42 specific standards of the Accounting Standards for Business Enterprises(abbreviated as "**ASBE**") (Ministry of Finance issued No. 33, the Ministry of Finance to amend No. 76) issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereafter collectively referred to as the "**Accounting Standards for Business Enterprises**" or "**CAS**") and the disclosure requirements regulation in the Preparation Convention of Information Disclosure of information of public listed companies, No. 15–General Requirements on Financial Reports revised by the China Securities Regulatory Commission 2023, Preparation of applicable disclosure provisions for securities listing rules issued by the Stock Exchange of Hong Kong Limited, and the applicable disclosure requirements under the Hong Kong Companies Ordinance.

According to the relevant provisions of Accounting Standards, the Group adopted an accrual accounting basis. Except for certain financial instruments, the financial statements are reported at historical cost. If assets are impaired, relevant provisions are made in accordance with relevant standards.

III. Statements on compliance with the enterprise accounting standards

The Group declares that the Financial Report prepared by the Group is in compliance with requirements of Accounting Standards for Business Enterprises. These financial statements present truly, accurately and completely the financial position of the Group as of 31 December 2025, the financial performance and cash flow of the Group for the twelve months ended 31 December 2025. In addition, these financial statements also comply with, in all material respects, the disclosure requirements of "Regulation on disclosure of information of public listed companies, No. 15: General Requirements for Financial Reports", revised by the China Securities Regulatory Commission (CSRC) in 2023, the relevant disclosure provisions of the Listing Rules of the Stock Exchange of Hong Kong Limited, and the applicable disclosure provisions under the Hong Kong Companies Ordinance.

IV. Significant accounting policies and estimates

As for the statements of significant accounting judgments and estimates made by the management, please refer to Note IV.28 "Significant accounting judgments and estimates.

1. Accounting period

The Group's fiscal year is the calendar year that starts from January 1 and December 31.

2. Operating cycle

The normal operating cycle refers to the period from purchasing the assets for processing to realize the cash and cash equivalents. The operating cycle consists of 12 months which is the standard of the classification for the liquidity of the assets and liabilities.

3. Recording currency

The recording currency is the prevailing currency of the primary economic environment in which business of the Group operated. RMB is chosen as its recording currency by the group and the financial statements of the Group are presented in RMB.

IV. Significant accounting policies and estimates (Continued)

4. Accounting treatment of business combinations

Business combination refers to a transaction or event bringing together two or more separate entities into one. Business combinations are classified into the business combinations under common control and not under common control.

(1) The business combinations under common control

A business combination under common control is a business combination in which all of the combined entities are ultimately controlled by the same party or the same parties both before and after the business combination and on (in) which the control is not temporary. In a business combination under common control, the party which obtains control power over the other combined entity on the combining date is the acquirer and the other combined entity is the acquiree. The acquisition date refers to the date on which the combining party actually obtains control power over the combined party.

The assets and liabilities that the combining party obtained in a business combination are measured on the basis of their carrying value in the combined party on the combining date. The difference between the carrying value of the net assets obtained from the combination and the carrying amount of the consideration paid (or the total par value of the shares issued) for the combination is treated as an adjustment to capital reserve (share premium). If the capital reserve (share premium) is not sufficient to cover the difference, the rest shall be deducted from retained earnings.

The direct cost occurred in the business combination is recorded into the profit or loss in the current period when they actually occurred.

(2) The business combinations not under common control

Enterprises participating in a merger that are not ultimately controlled by the same party or multiple parties before and after the merger are not under the same control. For a merger of enterprises not under the same control, the party that obtains control over other participating enterprises on the acquisition date is the purchaser, and the other participating enterprises are the acquiree. The purchase date refers to the date on which the purchaser actually obtains control over the acquired party.

IV. Significant accounting policies and estimates (Continued)

4. Accounting treatment of business combinations (Continued)

(2) The business combinations not under common control (Continued)

For business combinations not under the same control, the merger cost includes the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control over the acquiree on the acquisition date. The intermediary fees for auditing, legal services, evaluation and consulting, as well as other management expenses incurred for the business combination, are included in the current profit and loss when incurred. The transaction costs of equity or debt securities issued by the purchaser as consideration for the merger are included in the initial recognition amount of the equity or debt securities. The contingent consideration involved shall be included in the merger cost based on its fair value on the purchase date. If there is new or further evidence of the existing situation on the purchase date within 12 months after the purchase date that requires adjustment of the contingent consideration, the merged goodwill shall be adjusted accordingly.

The merger costs incurred by the purchaser and the identifiable net assets obtained during the merger are measured at their fair value on the acquisition date. The difference between the merger cost and the fair value of the identifiable net assets obtained from the acquiree on the acquisition date is recognized as goodwill. If the merger cost is less than the fair value share of the identifiable net assets obtained from the acquiree in the merger, the fair values of the identifiable assets, liabilities, and contingent liabilities obtained from the acquiree, as well as the measurement of the merger cost, are first reviewed. If the merger cost is still less than the fair value share of the identifiable net assets obtained from the acquiree in the merger, the difference is recorded in the current profit and loss.

IV. Significant accounting policies and estimates (Continued)

5. Methods for preparation of consolidated financial statements

(1) Recognition principle of consolidated scope

The scope of consolidation of consolidated financial statements is ascertained on the basis of effective control. Control refers to the right to obtain the variable returns by the involvement with the investee, and has the ability to affect those returns through its power to direct the activities of the investee. The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. Subsidiaries refer to the entities over which the Company has control power.

The Company shall reevaluate if there are changes of relevant elements of defined control due to the changes in the relevant facts and circumstances.

(2) Methods for preparation of consolidated financial statements

From the date of obtaining actual control over the net assets and production and operation decisions of the subsidiary, the company begins to include it in the scope of consolidation; From the date of losing actual control, it shall cease to be included in the merger scope. For the disposed subsidiaries, the operating results and cash flows prior to the disposal date have been appropriately included in the consolidated income statement and consolidated cash flow statement; For subsidiaries disposed of in the current period, the opening balance of the consolidated balance sheet will not be adjusted. For subsidiaries that are not under the same control and are added through business combinations, their operating results and cash flows after the purchase date have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the opening and comparative amounts of the consolidated financial statements are not adjusted. The operating results and cash flows of subsidiaries and merged parties under the same control from the beginning of the merger period to the merger date have been appropriately included in the consolidated income statement and consolidated cash flow statement, and the comparative amount of the consolidated financial statements has been adjusted at the same time.

IV. Significant accounting policies and estimates (Continued)

5. Methods for preparation of consolidated financial statements (Continued)

(2) Methods for preparation of consolidated financial statements (Continued)

When preparing consolidated financial statements, if the accounting policies or accounting periods adopted by the subsidiary and the company are inconsistent, necessary adjustments shall be made to the subsidiary's financial statements in accordance with the company's accounting policies and accounting periods. For subsidiaries obtained through business combinations not under the same control, adjustments to their financial statements are made based on the fair value of identifiable net assets on the purchase date.

All significant transaction balances, transactions, and unrealized profits within the company are offset during the preparation of the consolidated financial statements.

The shareholders' equity and current net profit and loss of subsidiaries that are not owned by the company are separately presented as minority shareholders' equity and minority shareholders' profit and loss in the consolidated financial statements under shareholders' equity and net profit. The portion of the subsidiary's current net profit and loss that belongs to minority shareholders' equity is presented under the "Minority Shareholders' Profit and Loss" item in the consolidated income statement. If the losses shared by minority shareholders in the subsidiary exceed the minority shareholders' share in the initial shareholders' equity of the subsidiary, the minority shareholders' equity will still be offset.

IV. Significant accounting policies and estimates (Continued)

6. The classification of the joint venture arrangement and accounting treatment of joint operation

The joint venture arrangement refers to the arrangement jointly controlled by two or more parties. According to the differences in the rights and responsibilities, the joint venture arrangement is classified as a joint operation and joint venture. A joint operation refers to a joint arrangement whereby the parties have the rights to the assets, and obligations for the liabilities, and Joint venture refers to the entity which is only entitled to the joint venture arrangement of the net assets.

The equity method is adopted for the investment of the joint venture, please refers to Note IV.11.2.2 Long-term equity investments accounted by equity method.

As a joint venture, the Company recognizes the assets held by the Company separately, the liabilities assumed separately, and the co-held assets and co-owned liabilities recognized by the Company's share; confirms its revenue from the sale of its share of the output arising from the joint operation; and recognizes the expenses incurred by the company separately and the expenses incurred arising from the joint operation according to the share of the company. When the Company transacts with a joint operation in which the Company is a joint operator, such as a sale or contribution assets, (The asset do not constitute a business, the same as below). The profit or loss resulting from the transactions is recognized only to the extent of the other parties' interests in the joint operation;

When the Company transacts with a joint operation in which the Company is a joint operator, such as a purchase of assets, the Company does not recognize its share of the profit or loss until it resells those assets to a third party. A loss shall be recognized in the full amount of the sale or contribution of assets, and of the purchase of the assets from the joint operation in accordance with "ASBE – No.8 assets impairment" and other provisions.

7. Recognition standard for cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and highly liquid short-term (within 3 months from the purchase date) investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

IV. Significant accounting policies and estimates (Continued)

8. Foreign currency transactions and the translation of foreign currency financial statement

(1) Foreign currency transactions

Foreign currency transactions occurring in the Group are initially recognized at the spot exchange rate (usually the midpoint of the foreign exchange rate published by the People's Bank of China on the day of the transaction, the same below) and converted into the amount of the bookkeeping base currency. However, foreign currency exchange transactions or transactions involving foreign currency exchange are converted into the amount of the bookkeeping base currency at the actual exchange rate used.

(2) Translation method for foreign currency monetary items and foreign currency non monetary items

On the balance sheet date, foreign currency monetary items are translated using the spot exchange rate on the balance sheet date. The resulting exchange differences, except for those arising from foreign currency specialized loans related to the acquisition and construction of assets that meet capitalization conditions, are treated according to the principle of capitalization of borrowing costs; Foreign currency monetary items invested in other equity instruments, except for amortized costs, are recognized in the current period's profit or loss for exchange differences arising from changes in their book balances, which are recognized in other comprehensive income.

Foreign currency non monetary items measured at historical cost are still measured using the recording currency amount converted at the spot exchange rate on the transaction date. Foreign currency non monetary items measured at fair value are translated using the spot exchange rate on the date of fair value determination. The difference between the converted amount in the recording currency and the original amount in the recording currency is treated as changes in fair value (including exchange rate changes) and recorded in current profit or loss or recognized as other comprehensive income.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities

Financial assets and liabilities are recognized when the Group becomes one party under the financial instrument contract.

(1) Financial assets

1) Classification, confirmation basis and measurement method of financial assets

The Group classifies financial assets into financial assets measured at amortized cost, financial assets measured at fair value with changes recognized in other comprehensive income, and financial assets measured at fair value with changes recognized in current profit or loss based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets.

The Group classifies financial assets that meet the following conditions as financial assets measured at amortized cost: ① The business model for managing these financial assets is to collect contract cash flows as the goal. ② The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount. Such financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount; Subsequent measurement is carried out at amortized cost. Except for those designated as hedged items, the difference between the initial amount and the maturity amount shall be amortized using the effective interest rate method. The amortization, impairment, exchange gains and losses, as well as gains or losses arising from derecognition, shall be recognized in the current period's profit and loss.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, confirmation basis and measurement method of financial assets (Continued)

The Group classifies financial assets that meet the following conditions as financial assets measured at fair value with changes recognized in other comprehensive income: ① The business model for managing such financial assets is aimed at both receiving contractual cash flows and selling such financial assets. ② The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount. These financial assets are initially measured at fair value, and related transaction costs are included in the initial recognition amount. Except for those designated as hedged items, other gains or losses arising from such financial assets, except for credit impairment losses or gains, exchange gains and losses, and interest calculated using the effective interest rate method, are recognized in other comprehensive income; When a financial asset is derecognized, the accumulated gains or losses previously recognized in other comprehensive income shall be transferred out of other comprehensive income and included in the current profit or loss.

The Group designates non trading equity instrument investments as financial assets measured at fair value with changes recognized in other comprehensive income. Once the designation is made, it cannot be revoked. Non trading equity instrument investments designated by the Group to be measured at fair value with changes recognized in other comprehensive income are initially measured at fair value, and related transaction costs are included in the initial recognition amount; Except for dividends received (excluding those that belong to the recovery of investment costs), other related gains and losses (including exchange gains and losses) are included in other comprehensive income and shall not be subsequently transferred to the current period's profit and loss. When it is derecognized, the accumulated gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, confirmation basis and measurement method of financial assets (Continued)

Financial assets other than those classified as financial assets measured at amortized cost and those classified as financial assets measured at fair value with changes recognized in other comprehensive income. The Group classifies it as a financial asset measured at fair value through profit or loss for the current period. This type of financial asset is initially measured at fair value, and related transaction costs are directly included in the current profit or loss. The gains or losses of such financial assets are recognized in the current profit or loss.

If the contingent consideration recognized by the Group in a business merger not under the same control constitutes a financial asset, the financial asset is classified as a financial asset measured at fair value with changes recognized in the current period's profit or loss.

At initial recognition, if accounting mismatches can be eliminated or significantly reduced, the Group can irrevocably designate financial assets that should have been measured at amortized cost or at fair value with changes recognized in other comprehensive income as financial assets measured at fair value with changes recognized in current profit or loss.

When the Group changes its business model for managing financial assets, it reclassifies all affected related financial assets.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

1) Classification, confirmation basis and measurement method of financial assets (Continued)

The Group recognizes interest income using the effective interest rate method. Interest income is calculated and determined based on the book balance of financial assets multiplied by the actual interest rate, except for the following situations: ① For financial assets that have been purchased or generated with credit impairment, interest income is calculated and determined based on the amortized cost of the financial asset and the actual interest rate adjusted by credit from initial recognition. ② For financial assets purchased or generated without credit impairment but that have become credit impaired in subsequent periods, interest income is calculated and determined based on the amortized cost and effective interest rate of the financial asset in subsequent periods.

2) Confirmation basis and measurement method of financial asset transfer.

The group will terminate the recognition of financial assets that meet one of the following conditions: ① the contractual right to receive cash flow from the financial assets is terminated; ② Financial assets have been transferred, and the group has transferred almost all risks and rewards in the ownership of financial assets; ③ When a financial asset is transferred, the group neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, nor retains control over the financial asset.

If the overall transfer of financial assets meets the conditions for termination of recognition, the book value of the transferred financial assets shall be, The difference between the sum of the consideration received due to the transfer and the amount of the corresponding derecognized part of the cumulative amount of fair value changes originally directly included in other comprehensive income (the contract terms involving the transferred financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount) is included in the current profit and loss.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

2) Confirmation basis and measurement method of financial asset transfer. (Continued)

If the partial transfer of financial assets meets the conditions for termination of recognition, the overall book value of the transferred financial assets shall be apportioned between the part whose recognition is terminated and the part whose recognition is not terminated according to their respective relative fair values, And the sum of the consideration received due to the transfer and the amount corresponding to the derecognized part of the cumulative amount of changes in fair value originally included in other comprehensive income that should be apportioned to the derecognized part (the contract terms involving the transferred financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount), The difference with the overall book value of the aforementioned financial assets shall be included in the current profit and loss.

3) Impairment of financial instruments

On the basis of expected credit losses, the group carries out impairment accounting for the following items and recognizes loss reserves: ① creditor's rights investment; ② Lease receivables; ③ Contract assets; ④ Accounts receivable; ⑤ Financial guarantee contract.

Expected credit losses refer to the weighted average value of credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contract cash flows receivable under the contract and all cash flows expected to be received by the group discounted at the original effective interest rate, that is, the present value of all cash shortages.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

3) Impairment of financial instruments (Continued)

For the following projects, the group always measures its loss reserve at an amount equivalent to the expected credit loss during the whole duration: ① provision for loss of receivables or contract assets formed by transactions regulated by the accounting standards for enterprises No.14 – income standards, regardless of whether the project contains significant financing components. ② Finance lease receivables; ③ Operating lease receivables.

In addition to the above items, for other items, the group measures the loss reserve according to the following circumstances: ① for financial assets whose credit risk has not increased significantly since initial recognition, the group measures the loss reserve according to the amount of expected credit loss in the next 12 months; ② For financial assets whose credit risk has increased significantly since initial recognition, the group measures the loss reserve according to the amount equivalent to the expected credit loss of the financial instrument throughout its life; ③ For financial assets purchased or derived from which credit impairment has occurred, the group measures the provision for loss at an amount equivalent to the expected credit loss for the entire duration.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

3) Impairment of financial instruments (Continued)

Judgment on whether credit risk has increased significantly since initial recognition. By comparing the risk of default of financial instruments on the balance sheet date with the risk of default on the initial recognition date, the Group determines the relative change in the risk of default during the expected duration of financial instruments to assess whether the credit risk of financial instruments has increased significantly since initial recognition. However, if the Group determines that a financial instrument has only a low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since initial recognition. Generally, if it is overdue for more than 30 days, it indicates that the credit risk of financial instruments has increased significantly. Unless the group can obtain reasonable and substantiated information without unnecessary additional cost or effort to demonstrate that credit risk has not increased significantly since initial recognition even if it is more than 30 days overdue. In determining whether credit risk has increased significantly since initial recognition, the group considers reasonable and substantiated information, including forward-looking information, that can be obtained without unnecessary additional cost or effort. The information considered by the group includes: ① the failure of the debtor to pay the principal and interest on the due date of the contract; ② Serious deterioration of the external or internal credit rating (if any) of the financial instruments that have occurred or are expected to occur; ③ Serious deterioration of the debtor's operating results that has occurred or is expected; ④ Changes in the existing or expected technical, market, economic or legal environment will have a significant adverse impact on the debtor's ability to repay.

The Group assesses whether credit risk has increased significantly on the basis of a single financial instrument or a combination of financial instruments. When assessing on the basis of a portfolio of financial instruments, the group may classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings of different customers.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(1) Financial assets (Continued)

4) Presentation of provision for expected credit losses

In order to reflect the changes in the credit risk of financial instruments since initial recognition, the group remeasures the expected credit loss on each balance sheet date, and the increase or reversal of the loss provision thus formed shall be included in the current profit and loss as an impairment loss or gain. For financial assets measured at amortized cost, the loss reserve shall be set off against the book value of the financial assets listed in the balance sheet.

5) Write off

If the group no longer reasonably expects the contract cash flow of a financial asset to be recovered in whole or in part, the book balance of the financial asset is directly written down. Such write downs constitute the derecognition of the relevant financial assets. This usually occurs when the Group determines that the debtor has no assets or sources of income to generate sufficient cash flow to repay the amount to be written down. However, in accordance with the group's procedures for recovering payments due, the written down financial assets may still be affected by the execution activities. If the written down financial assets are recovered later, they shall be included in the profits and losses of the current period as a reversal of impairment losses.

(2) Financial liabilities

1) Classification, recognition basis and measurement method of financial liabilities

The group's financial liabilities are classified as financial liabilities measured at fair value through profit or loss and other financial liabilities at initial recognition.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(2) Financial liabilities (Continued)

1) Classification, recognition basis and measurement method of financial liabilities (Continued)

Financial liabilities measured at fair value with changes included in the current profit and loss, including trading financial liabilities and financial liabilities designated at fair value with changes included in the current profit and loss at initial recognition (the relevant classification basis is disclosed with reference to the classification basis of financial assets). Subsequent measurements are made at fair value, and gains or losses arising from changes in fair value and dividends and interest expenses related to the financial liabilities are included in current profits and losses.

Other financial liabilities (Disclosure of specific financial liabilities according to the actual situation). The effective interest rate method is adopted for subsequent measurement according to the amortized cost. In addition to the following items, the Group classifies financial liabilities as financial liabilities measured at amortized cost: ① financial liabilities measured at fair value with changes included in current profit and loss, including trading financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated at fair value with changes included in current profit and loss. ② Financial liabilities formed by the transfer of financial assets that do not meet the conditions for termination of recognition or continue to be involved in the transferred financial assets. ③ Financial guarantee contracts that do not fall under the circumstances of ① or ② above, and loan commitments that do not fall under the circumstances of ① above and loans at lower market interest rates.

If the group forms financial liabilities as contingent consideration recognized as the acquirer in business combinations not under the same control, it shall be accounted for at fair value and the changes shall be included in the current profit and loss.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(2) Financial liabilities (Continued)

2) Conditions for termination of recognition of financial liabilities

When the current obligation of a financial liability has been discharged in whole or in part, the recognition of the discharged part of the financial liability or obligation shall be terminated. If the group enters into an agreement with creditors to replace existing financial liabilities by assuming new financial liabilities, and the contract terms of new financial liabilities and existing financial liabilities are substantially different, the recognition of existing financial liabilities shall be terminated and new financial liabilities shall be recognized at the same time. If the group makes substantial amendments to the contract terms of all or part of the existing financial liabilities, it shall terminate the recognition of the existing financial liabilities or part of them, and recognize the financial liabilities after the amendment as a new financial liability. The difference between the book value of the derecognized part and the consideration paid shall be included in the current profit and loss.

(3) Method for determining the fair value of financial assets and financial liabilities

The group measures the fair value of financial assets and financial liabilities at the price of the main market. If there is no main market, the fair value of financial assets and financial liabilities is measured at the price of the most favorable market, and the valuation technology applicable at that time and supported by sufficient available data and other information is adopted. The input value used in fair value measurement is divided into three levels, that is, the input value of the first level is the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in the active market; The second level input value is the directly or indirectly observable input value of related assets or liabilities in addition to the first level input value; The third level of input value is the unobservable input value of related assets or liabilities. The group gives priority to the first level of input values, and finally uses the third level of input values.

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(3) Method for determining the fair value of financial assets and financial liabilities (Continued)

The group's investment in equity instruments is measured at fair value. However, in limited circumstances, if the recent information used to determine fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of fair value within that range, the cost can represent its appropriate estimate of fair value within that distribution

(4) Offsetting financial assets and liabilities

The financial assets and financial liabilities of the group are presented separately in the balance sheet and are not offset against each other. However, when the following conditions are met at the same time, the net amount after mutual offset is listed in the balance sheet: ① the group has the legal right to offset the recognized amount, and such legal right is currently enforceable; ② The group plans to settle on a net basis, or to realize the financial asset and settle the financial liability at the same time.

(5) Distinction between financial liabilities and equity instruments and related treatment methods

The group distinguishes between financial liabilities and equity instruments according to the following principles: ① if the group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, the contractual obligation conforms to the definition of financial liabilities. Although some financial instruments do not explicitly contain the terms and conditions of the obligation to deliver cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions. ② If a financial instrument is required or can be settled by the group's own equity instruments, it is necessary to consider whether the group's own equity instruments used to settle the instrument are used as a substitute for cash or other financial assets, or to enable the holder of the instrument to enjoy the remaining equity in the assets of the issuer after deducting all liabilities. If the former, the instrument is the financial liability of the issuer; If the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract provides that the group is required or available to settle the financial instrument with its own equity

IV. Significant accounting policies and estimates (Continued)

9. Financial assets and liabilities (Continued)

(5) Distinction between financial liabilities and equity instruments and related treatment methods (Continued)

instruments, where the amount of the contractual rights or contractual obligations is equal to the number of its own equity instruments available or to be delivered multiplied by its fair value at settlement, whether the amount of the contractual rights or obligations is fixed, Or changes based entirely or in part on changes in variables other than the market price of the group's own equity instruments (such as interest rates, the price of a commodity or the price of a financial instrument), which are classified as financial liabilities.

In classifying financial instruments (or components thereof) in the consolidated statements, the group takes into account all terms and conditions agreed between members of the group and holders of financial instruments. If the group as a whole is obligated to deliver cash, other financial assets or settle in other ways that result in the instrument becoming a financial liability as a result of the instrument, the instrument should be classified as a financial liability.

If a financial instrument or its components belong to a financial liability, the group shall record the relevant interest, dividend (or dividend), gain or loss, and the gain or loss arising from redemption or refinancing in the current profit or loss.

If a financial instrument or its components are equity instruments, the group shall treat it as a change in equity when it is issued (including refinancing), repurchased, sold or cancelled, and shall not recognize the change in fair value of equity instruments.

IV. Significant accounting policies and estimates (Continued)

10. Inventories

(1) Category

The inventories of the Group comprise raw material, work in progress, inished goods, turnover materials, spare parts, materials in transit, and outsourced materials etc.

(2) Pricing of inventories

Inventory is valued at actual cost upon acquisition, including procurement costs, processing costs, and other costs. Valuation shall be based on weighted average method and individual valuation method when receiving and sending out.

(3) Measurement of net realizable, value of inventory and measurement of provision for impairment of inventories

Net realizable value refers to the estimated selling price of inventory in daily activities, minus the estimated costs to be incurred until completion, estimated sales expenses, and related taxes. When determining the net realizable value of inventory, it is based on conclusive evidence obtained, while considering the purpose of holding inventory and the impact of events after the balance sheet date.

On the balance sheet date, inventory is measured at the lower of cost or net realizable value. When its net realizable value is lower than cost, a provision for inventory depreciation is withdrawn. Inventory depreciation reserves are calculated for each individual inventory item, except for spare parts. Spare parts shall be subject to inventory depreciation reserves based on their actual condition and management's estimation.

After the provision for inventory depreciation is made, if the influencing factors of the previous reduction in inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its book value, it shall be reversed within the original provision for inventory depreciation, and the reversed amount shall be included in the current profit and loss.

IV. Significant accounting policies and estimates (Continued)

10. Inventories (Continued)

(4) Physical inventory at fixed period is taken under perpetual inventory system.

(5) Amortization of reusable materials

Turnover materials include low-value consumables, packaging materials, and other turnover materials, which are amortized using the one-time amortization method, workload method, and installment amortization method according to their different properties, and are included in the cost of relevant assets or current profit and loss.

11. Long-term equity investment

The long-term equity investment referred to in this section refers to the long-term equity investment that the company has control, joint control, or significant influence over the invested entity. The long-term equity investments of the company that do not have control, joint control, or significant influence over the invested entity are treated as other equity instrument investments and transactional financial assets. The accounting policies are detailed in Note IV, 9 "Financial Assets and Financial Liabilities".

Joint control refers to the common control that the company has over a certain arrangement in accordance with relevant agreements, and the relevant activities of the arrangement must be unanimously agreed upon by the participants who share control before making decisions. Significant impact refers to the company having the power to participate in decision-making on the financial and operational policies of the invested entity, but not being able to control or jointly control the formulation of these policies with other parties.

(1) Determination of investment costs

For long-term equity investments obtained through the merger of enterprises under the same control, the initial investment cost of the long-term equity investment shall be determined based on the share of the book value of the merged party's shareholders' equity in the final controlling party's consolidated financial statements on the merger date. The difference between the initial investment cost of long-term equity investment and the cash paid, non cash assets transferred, and the book value of the assumed debts shall be adjusted to the capital reserve; If

IV. Significant accounting policies and estimates (Continued)

11. Long-term equity investment (Continued)

(1) Determination of investment costs (Continued)

the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If equity securities are issued as the merger consideration, the initial investment cost of the long-term equity investment shall be based on the share of the book value of the merged party's shareholders' equity in the final controlling party's consolidated financial statements on the merger date, and the total face value of the issued shares shall be used as the share capital. The difference between the initial investment cost of the long-term equity investment and the total face value of the issued shares shall be adjusted to the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

For long-term equity investments obtained through business combinations not under the same control, the initial investment cost of the long-term equity investment is recognized at the merger cost on the acquisition date. The merger cost includes the sum of the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued by the purchaser. The intermediary fees for auditing, legal services, evaluation and consultation, as well as other related management expenses incurred by the merging party or purchaser for the merger of the enterprise, are recognized in the current profit and loss at the time of occurrence.

Other equity investments, except for long-term equity investments formed by business mergers, are initially measured at cost. This cost is determined by the actual cash purchase price paid by the company, the fair value of equity securities issued by the company, the value agreed upon in the investment contract or agreement, the fair value or original book value of assets surrendered in non monetary asset exchange transactions, depending on the method of obtaining long-term equity investments The fair value of the long-term equity investment itself is determined through other methods. The expenses, taxes, and other necessary expenses directly related to obtaining long-term equity investments are also included in the investment cost.

IV. Significant accounting policies and estimates (Continued)

11. Long-term equity investment (Continued)

(2) Subsequent measurement and profit and loss recognition method

Long term equity investments that have joint control over or significant impact on the invested entity (excluding those forming joint operators) shall be accounted for using the equity method. In addition, the company's financial statements use the cost method to calculate long-term equity investments that can exercise control over the invested entity.

1) Long term equity investments accounted for using the cost method

When using the cost method for accounting, long-term equity investments are valued at the initial investment cost, and the cost of long-term equity investments is adjusted by adding or recovering investments. Except for the actual payment of the investment or the cash dividends or profits declared but not yet distributed included in the consideration, the current investment income is recognized based on the cash dividends or profits declared to be distributed by the invested entity.

2) Long term equity investments accounted for using the equity method

When using the equity method for accounting, if the initial investment cost of a long-term equity investment is greater than the fair value share of the identifiable net assets of the invested entity that should be enjoyed at the time of investment, the initial investment cost of the long-term equity investment will not be adjusted; If the initial investment cost is less than the fair value share of the identifiable net assets of the invested entity that should be enjoyed at the time of investment, the difference is included in the current profit and loss, and the cost of long-term equity investment is adjusted.

When using the equity method for accounting, investment income and other comprehensive income are recognized separately based on the share of net profit or loss and other comprehensive income that should be enjoyed or shared by the invested entity, while adjusting the book value of long-term equity investments; Calculate the portion that should be enjoyed based on the profits or cash dividends declared to be distributed by the invested entity, and correspondingly reduce the book value of long-term equity investments; For changes

IV. Significant accounting policies and estimates (Continued)

11. Long-term equity investment (Continued)

(2) Subsequent measurement and profit and loss recognition method (Continued)

2) Long term equity investments accounted for using the equity method (Continued)

in shareholders' equity of the invested entity other than net profit and loss, other comprehensive income, and profit distribution, the book value of long-term equity investments shall be adjusted and included in the capital reserve. When recognizing the share of the net profit and loss of the invested entity that should be enjoyed, the fair value of the identifiable assets of the invested entity at the time of acquisition of the investment is used as the basis for adjusting the net profit of the invested entity before recognition. If the accounting policies and accounting periods adopted by the invested entity are inconsistent with those of the company, the financial statements of the invested entity shall be adjusted in accordance with the company's accounting policies and accounting periods, and investment income and other comprehensive income shall be recognized accordingly. For transactions between the company and affiliated enterprises and joint ventures, if the assets invested or sold do not constitute a business, the unrealized internal transaction gains and losses shall be offset by the portion attributable to the company calculated in proportion to the ownership, and investment gains and losses shall be recognized on this basis. However, if the unrealized internal transaction losses between the company and the invested entity belong to the impairment losses of the transferred assets, they will not be offset.

When confirming the net loss incurred by the invested entity that should be shared, the book value of long-term equity investments and other long-term equity that essentially constitute the net investment in the invested entity shall be reduced to zero. In addition, if the company has an obligation to bear additional losses to the invested entity, the estimated liabilities shall be recognized based on the expected obligations and included in the current investment losses. If the invested unit realizes net profit in the future period, the company will restore the recognition of the profit sharing amount after the profit sharing amount compensates for the unrecognized loss sharing amount.

IV. Significant accounting policies and estimates (Continued)

11. Long-term equity investment (Continued)

(2) Subsequent measurement and profit and loss recognition method (Continued)

3) Acquisition of minority interests

When preparing consolidated financial statements, the difference between the newly added long-term equity investment due to the purchase of minority equity and the net asset share of the subsidiary calculated continuously from the purchase date (or merger date) based on the newly added shareholding ratio shall be adjusted to the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

4) Disposal of long-term equity investments

In the consolidated financial statements, the parent company partially disposes of its long-term equity investments in its subsidiaries without losing control. The difference between the disposal price and the net assets of the subsidiary corresponding to the disposal of the long-term equity investment is recognized in shareholders' equity; If the parent company partially disposes of its long-term equity investment in a subsidiary, resulting in the loss of control over the subsidiary, the relevant accounting policies described in Note IV, 5 (2) "Methods for Preparing Consolidated Financial Statements" shall be followed.

In other cases, for the disposal of long-term equity investments, the difference between the book value of the disposed equity and the actual acquisition price shall be recorded in the current profit and loss.

For long-term equity investments accounted for using the equity method, if the remaining equity after disposal is still accounted for using the equity method, the other comprehensive income originally included in shareholders' equity shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the invested entity in the corresponding proportion at the time of disposal. The owner's equity recognized due to changes in shareholders' equity of the invested party other than net profit and loss, other comprehensive income, and profit distribution shall be carried forward proportionally to the current profit and loss.

IV. Significant accounting policies and estimates (Continued)

11. Long-term equity investment (Continued)

(2) Subsequent measurement and profit and loss recognition method (Continued)

4) Disposal of long-term equity investments (Continued)

For long-term equity investments accounted for using the cost method, if the remaining equity is still accounted for using the cost method after disposal, the other comprehensive income recognized by using the equity method or financial instrument recognition and measurement standards before obtaining control over the invested entity shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the invested entity, and shall be carried forward proportionally to the current profit and loss; The changes in shareholders' equity recognized in the net assets of the invested entity using the equity method, excluding net profit and loss, other comprehensive income, and profit distribution, are carried forward proportionally to the current profit and loss.

12. Fixed Assets

(1) Recognition

Fixed assets refer to tangible assets held for the purpose of producing goods, providing services, renting or operating management, with a useful life exceeding one accounting year. Fixed assets are only recognized when the economic benefits related to them are likely to flow into the group and their costs can be reliably measured. Fixed assets are initially measured at cost and considering the impact of expected disposal costs.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IV. Significant accounting policies and estimates (Continued)

12. Fixed Assets (Continued)

(2) Depreciation method of fixed assets

Fixed assets are depreciated using the straight-line method over their useful life starting from the month after they reach their intended usable state. The service life and estimated net residual value of various fixed assets are as follows：

Category of fixed assets	Useful lives	Estimate residual rate (%)	Annual depreciation rate (%)
Plants and buildings	40 years	3-5	2.375-2.425
Machinery and equipment	17-24years	3-5	3.958-5.706
Other fixed assets	5-12 years	3-5	7.917-19.40

Expected net residual value refers to the amount obtained by the Group from the disposal of a fixed asset, after deducting the expected disposal expenses, assuming that the expected useful life of the asset has expired and is in the expected state at the end of its useful life.

(3) The impairment testing method and impairment provision method for fixed assets

The impairment testing method and impairment provision method for fixed assets are detailed in Note IV, 16, Long term Asset Impairment.

(4) Other instructions

Subsequent expenses related to fixed assets, if the economic benefits related to the fixed asset are likely to flow in and its cost can be reliably measured, are included in the cost of the fixed asset and the book value of the replaced part is derecognized. Other subsequent expenses shall be included in the current profit and loss when incurred.

The difference between the disposal income from the sale, transfer, scrapping, or damage of fixed assets after deducting their book value and relevant taxes and fees is recognized in the current profit and loss.

IV. Significant accounting policies and estimates (Continued)

12. Fixed Assets (Continued)

(4) Other instructions (Continued)

The Group regularly reviews the service life, estimated net residual value, and depreciation method of fixed assets, and any changes are treated as changes in accounting estimates.

13. Construction in progress

The cost of construction in progress is determined based on actual project expenditures, including various project expenditures incurred during the construction period, capitalized borrowing costs before the project reaches its intended usable state, and other related expenses. Construction in progress is carried forward as fixed assets after reaching its intended usable state.

The impairment testing method and impairment provision method for construction in progress are detailed in Note IV, 16, Long term Asset Impairment.

14. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, auxiliary expenses, and exchange differences arising from foreign currency borrowings. The borrowing costs that can be directly attributed to the acquisition, construction, or production of assets that meet the capitalization conditions begin capitalization when the asset expenditure has already occurred, the borrowing costs have already occurred, and the necessary acquisition, construction, or production activities to bring the assets to their intended usable or saleable state have begun; When the assets that meet the capitalization conditions for acquisition, construction or production reach their intended usable or saleable state, capitalization shall cease. The remaining borrowing costs are recognized as expenses in the current period.

The actual interest expenses incurred in the current period of specialized borrowing, minus the interest income obtained from unused borrowing funds deposited in banks or investment income obtained from temporary investments, are capitalized; The capitalization amount of general borrowing is determined by multiplying the weighted average of the accumulated asset expenses that exceed the specialized borrowing by the capitalization rate of the general borrowing used. The capitalization rate is calculated and determined based on the weighted average interest rate of general borrowings.

IV. Significant accounting policies and estimates (Continued)

14. Borrowing costs (Continued)

During the capitalization period, all exchange differences on foreign currency specialized loans shall be capitalized; The exchange difference of foreign currency general loans is recognized in the current profit and loss.

Assets eligible for capitalization refer to fixed assets, investment real estate, inventories and other assets that require a considerable period of time for acquisition and construction or production activities to reach their intended serviceable or marketable status.

If an asset that meets the capitalization conditions undergoes an abnormal interruption during the acquisition, construction, or production process, and the interruption lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended until the acquisition, construction, or production activities of the asset restart.

15. Intangible assets

(1) Intangible assets

Intangible assets refer to identifiable non monetary assets that are owned or controlled by the Group and do not have physical form.

Intangible assets are initially measured at cost. Expenditures related to intangible assets are recognized as intangible asset costs if the relevant economic benefits are likely to flow into the group and their costs can be reliably measured. Expenditures for other items other than this are recognized in the current period’s profit and loss when incurred.

The land use rights obtained are usually accounted for as intangible assets. Self developed and constructed buildings such as factories, and related land use rights expenses and building construction costs are accounted for as intangible assets and fixed assets, respectively. If it is a purchased house or building, the relevant price will be distributed between the land use right and the building. If it is difficult to allocate it reasonably, all will be treated as fixed assets.

IV. Significant accounting policies and estimates (Continued)

15. Intangible assets (Continued)

(1) Intangible assets (Continued)

Intangible assets with limited useful lives are amortized on a straight-line basis over their expected useful lives by subtracting their original value from their expected net residual value and the accumulated amount of impairment provisions that have been made. Intangible assets with uncertain useful lives are not amortized.

The Group regularly reviews the service life and amortization method of intangible assets with limited service lives, and if there are changes, they are treated as changes in accounting estimates. In addition, the service life of intangible assets with uncertain service lives is also reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is foreseeable, its service life is estimated and amortized according to the amortization policy for intangible assets with limited service lives.

(2) Research and development expenditure

The expenditure for internal research and development projects of our group is divided into research stage expenditure and development stage expenditure.

The expenses incurred during the research phase are recognized in the current period's profit and loss when incurred.

Expenditures during the development stage that meet the following conditions simultaneously are recognized as intangible assets, while expenditures during the development stage that cannot meet the following conditions are included in the current profit and loss:

① It is technically feasible to complete the intangible asset so that it can be used or sold;

② Having the intention to complete the intangible asset and use or sell it;

IV. Significant accounting policies and estimates (Continued)

15. Intangible assets (Continued)

(2) Research and development expenditure (Continued)

③ The ways in which intangible assets generate economic benefits, including the ability to prove the existence of a market for the products produced using the intangible assets or the existence of a market for the intangible assets themselves, and the usefulness of intangible assets that will be used internally;

④ Having sufficient technical, financial, and other resources to support the development of the intangible asset and the ability to use or sell the intangible asset;

⑤ The expenses attributable to the development stage of the intangible asset can be reliably measured.

If it is impossible to distinguish between research stage expenditure and development stage expenditure, all R&D expenses incurred shall be included in the current profit and loss.

(3) The impairment testing method and impairment provision method for intangible assets

The impairment testing method and impairment provision method for intangible assets are detailed in Note IV, 16, Long term Asset Impairment.

16. Impairment of long-term assets

For non current non-financial assets such as fixed assets, construction in progress, intangible assets with limited service life, and long-term equity investments in subsidiaries, joint ventures, and associated enterprises, the Group determines whether there is any indication of impairment on the balance sheet date. If there are signs of impairment, the recoverable amount is estimated and impairment testing is conducted. Intangible assets with uncertain useful lives and intangible assets that have not yet reached their usable state, regardless of whether there are signs of impairment, are subject to impairment testing annually.

IV. Significant accounting policies and estimates (Continued)

16. Impairment of long-term assets (Continued)

If the impairment test results indicate that the recoverable amount of an asset is lower than its carrying amount, an impairment provision shall be made based on the difference and included in the impairment loss. The recoverable amount is the higher of the net amount of the fair value of the asset minus disposal expenses and the present value of the expected future cash flow of the asset. The fair value of assets is determined based on the sales agreement price in fair trade; If there is no sales agreement but an active market for the asset, the fair value shall be determined based on the buyer's bid for the asset; If there is no sales agreement or active asset market, the fair value of the asset is estimated based on the best available information. Disposal costs include legal fees related to asset disposal, relevant taxes, handling fees, and direct expenses incurred to bring the asset into a sellable state. The present value of the expected future cash flow of an asset is determined by discounting it at an appropriate discount rate based on the expected future cash flow generated during its continuous use and final disposal. The provision for asset impairment is calculated and recognized on a single asset basis. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest combination of assets that can independently generate cash inflows.

Once the impairment loss of the above-mentioned assets is confirmed, the portion that is worth recovering will not be reversed in the future.

17. Estimated liabilities

When obligations related to contingencies meet the following conditions simultaneously, they are recognized as estimated liabilities: ① the obligation is a current obligation undertaken by the group; ② Fulfilling this obligation is likely to result in an outflow of economic benefits; ③ The amount of this obligation can be reliably measured.

On the balance sheet date, considering factors such as risks, uncertainties, and time value of currency related to contingencies, the estimated liabilities are measured based on the best estimate of the expenses required to fulfill the relevant current obligations.

If all or part of the expenses required to settle the estimated liability are expected to be compensated by a third party, the compensation amount shall be separately recognized as an asset when it is basically certain that it can be received, and the recognized compensation amount shall not exceed the book value of the estimated liability.

IV. Significant accounting policies and estimates (Continued)

18. Share-based payment

The share based payment of the Group is a transaction that grants equity instruments or assumes liabilities based on equity instruments to obtain services provided by employees. The group's share-based payments are equity settled share-based payments.

(1) Equity settled share-based payments

For equity settled share-based payments in exchange for services provided by employees, the Group measures them at the fair value of the equity instruments granted to employees on the grant date. The amount of this fair value is calculated and included in relevant costs or expenses using the straight-line method based on the best estimate of the number of exercisable equity instruments during the waiting period, with a corresponding increase in capital reserve. On each balance sheet date during the waiting period, the Group makes the best estimate based on the latest changes in the number of employees with exercisable rights and other subsequent information, and corrects the estimated number of exercisable equity instruments. The impact of the above estimates is included in the relevant costs or expenses of the current period, and the capital reserve is adjusted accordingly.

(2) Implement, modify, and terminate the share-based payment plan

When the Group modifies the share-based payment plan, if the modification increases the fair value of the granted equity instruments, the increase in services obtained shall be recognized accordingly based on the increase in fair value of the equity instruments; If the modification increases the number of granted equity instruments, the fair value of the increased equity instruments will be recognized as an increase in the acquisition of services accordingly. The increase in fair value of equity instruments refers to the difference between the fair value of equity instruments before and after modification on the modification date. If the modification reduces the total fair value of the share-based payment plan or adopts other unfavorable methods to modify the terms and conditions of the share-based payment plan, the accounting treatment of the obtained services will continue, and it will be deemed that the change has never occurred, unless the Group cancels some or all of the granted equity instruments.

IV. Significant accounting policies and estimates (Continued)

18. Share-based payment (Continued)

(3) Other

If the restricted stock subscription payment paid by the incentive object does not meet the unlocking conditions, the subscription payment will be returned to the incentive object. When the Group obtains the payment, it recognizes the share capital and capital reserve (capital premium) based on the acquired subscription funds, and at the same time, fully recognizes a liability for repurchase obligations and recognizes treasury shares.

19. Revenue

The Group recognizes revenue when it fulfills its contractual obligations, that is, when a customer obtains control of the relevant goods or services.

If a contract contains two or more performance obligations, the Group shall, at the beginning of the contract, allocate the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, and measure income based on the transaction price allocated to each individual performance obligation.

The transaction price refers to the amount of consideration that the Group is expected to be entitled to receive for the transfer of goods or services to customers, excluding payments received on behalf of third parties. The transaction price confirmed by the Group does not exceed the amount that is highly unlikely to result in a significant reversal of the cumulative recognized income when the relevant uncertainty is eliminated. The expected refund to the customer is not included in the transaction price as a liability. If there is a significant financing element in the contract, the Group determines the transaction price based on the assumed amount payable in cash when the customer obtains control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized using the effective interest rate method during the contract period. On the commencement date of the contract, if the Group expects that the interval between the customer's acquisition of control over the goods or services and the customer's payment of the price does not exceed one year, the significant financing components present in the contract will not be considered.

IV. Significant accounting policies and estimates (Continued)

19. Revenue (Continued)

If one of the following conditions is met, the Group shall fulfill its performance obligations within a certain period of time; Otherwise, it belongs to fulfilling the performance obligation at a certain point in time:

① Customers obtain and consume the economic benefits brought by the Group's performance at the same time as the Group's performance;

② Customers are able to control the goods under construction during the performance process of the group;

③ The goods produced during the performance process of the Group have irreplaceable uses, and the Group has the right to collect payments for the cumulative performance portion completed to date throughout the entire contract period.

For performance obligations performed within a certain period of time, the Group recognizes revenue based on the progress of performance during that period. When the progress of performance cannot be reasonably determined, if the cost incurred by the group is expected to be compensated, revenue shall be recognized based on the amount of cost incurred until the progress of performance can be reasonably determined.

For performance obligations performed at a certain point in time, the Group recognizes revenue at the point when the customer obtains control of the relevant goods or services. When determining whether a customer has obtained control over goods or services, the Group considers the following indications:

① The Group has the current right to receive payment for the goods or services;

② The group has transferred the legal ownership of the product to the customer;

③ The group has transferred the physical item of the product to the customer;

④ The group has transferred the main risks and rewards of ownership of the goods to customers;

⑤ The customer has accepted the product or service, etc.

IV. Significant accounting policies and estimates (Continued)

19. Revenue (Continued)

The Group has transferred goods or services to customers and has the right to receive consideration (and this right depends on factors other than the passage of time) as contract assets, which are depreciated based on expected credit losses. The right of the Group to receive consideration from customers unconditionally (only depending on the passage of time) is listed as receivables. The obligation of the Group to transfer goods or services to customers for consideration received or receivable from customers is presented as a contractual liability.

20. Government grants

Government subsidies refer to the group's free acquisition of monetary and non monetary assets from the government, excluding capital invested by the government as an owner. Government subsidies are divided into asset related government subsidies and income related government subsidies.

The Group defines government subsidies obtained for the purchase, construction or other forms of long-term assets as government subsidies related to assets; Other government subsidies are defined as government subsidies related to income. If the government documents do not specify the subsidy target, the subsidy will be divided into government subsidies related to income and government subsidies related to assets in the following way: ① If the government documents specify the specific project targeted by the subsidy, the subsidy will be divided based on the relative proportion of the expenditure amount formed in the asset and the expenditure amount included in the expense in the budget of the specific project. The division proportion needs to be reviewed on each balance sheet date, Make necessary changes; ② The government documents only provide general descriptions of the purpose and do not specify specific projects as government subsidies related to income.

Government subsidies that are monetary assets are measured at the amount received or receivable. If government subsidies are non monetary assets, they shall be measured at fair value; If the fair value cannot be reliably obtained, it shall be measured at its nominal amount. Government subsidies measured at nominal amounts are directly recognized in the current period's profits and losses.

IV. Significant accounting policies and estimates (Continued)

20. Government grants (Continued)

The Group usually recognizes and measures government subsidies based on the actual amount received when they are actually received. However, for those who have conclusive evidence at the end of the period indicating that they can meet the relevant conditions stipulated in the financial support policies and are expected to receive financial support funds, they shall be measured at the amount receivable. Government subsidies measured according to the receivable amount should simultaneously meet the following conditions: ① the amount of the receivable subsidy has been confirmed by the authorized government department through a document, or can be reasonably calculated according to the relevant provisions of the officially issued financial fund management measures, and the expected amount is not subject to significant uncertainty; ② The basis is the financial support projects and their financial fund management measures officially released by the local financial department and actively disclosed in accordance with the provisions of the "Regulations on Government Information Disclosure", and the management measures should be inclusive (any enterprise that meets the prescribed conditions can apply), rather than specifically formulated for specific enterprises; ③ The relevant subsidy approval documents have clearly promised the payment deadline, and the allocation of this amount is guaranteed by the corresponding financial budget, so it can be reasonably guaranteed to be received within the specified period.

Government subsidies related to assets are recognized as deferred income and are evenly distributed throughout the useful life of the relevant assets and included in the current profit and loss. Government subsidies related to income, which are used to compensate for related expenses and losses in the future period, are recognized as deferred income and included in the current profit and loss or offset against related costs during the period when the relevant expenses are recognized; Those used to compensate for related expenses and losses that have already occurred shall be included in the current profit and loss or offset against related costs.

Government subsidies related to the daily activities of the Group are recognized in other income or offset against related costs and expenses based on the essence of economic business; Government subsidies unrelated to daily activities are included in non operating income.

IV. Significant accounting policies and estimates (Continued)

20. Government grants (Continued)

When confirmed government subsidies need to be returned, if there is a relevant deferred income balance, the book balance of the relevant deferred income shall be offset, and the excess shall be included in the current profit and loss; If there is no relevant deferred income, it shall be directly included in the current profit and loss.

21. Deferred income tax asset and liability

(1) Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods are measured at the expected amount of income tax payable (or refunded) calculated in accordance with tax laws. The taxable income amount based on which the current income tax expenses are calculated is calculated after making corresponding adjustments to the pre tax accounting profit of the current period in accordance with relevant tax laws and regulations.

(2) Deferred income tax assets and deferred income tax liabilities

The temporary differences arising from the difference between the book value of certain asset and liability items and their tax basis, as well as the difference between the book value and tax basis of items that are not recognized as assets and liabilities but can be determined according to tax laws, are recognized using the balance sheet liability method for deferred income tax assets and deferred income tax liabilities.

Taxable temporary differences related to the initial recognition of goodwill, as well as the initial recognition of assets or liabilities arising from transactions that are not business combinations and do not affect accounting profits and taxable income (or deductible losses), shall not be recognized as deferred income tax liabilities. In addition, for taxable temporary differences related to investments in subsidiaries, associates, and joint ventures, if the Group can control the timing of the reversal of temporary differences and the temporary differences are likely not to be reversed in the foreseeable future, the relevant deferred income tax liabilities will not be recognized. Except for the above exceptions, the Group recognizes deferred income tax liabilities arising from all other taxable temporary differences.

IV. Significant accounting policies and estimates (Continued)

21. Deferred income tax asset and liability (Continued)

(2) Deferred income tax assets and deferred income tax liabilities (Continued)

Deductible temporary differences related to the initial recognition of assets or liabilities arising from transactions that are neither business combinations nor affect accounting profits and taxable income (or deductible losses) shall not be recognized as deferred income tax assets. In addition, for deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, if the temporary differences are not likely to be reversed in the foreseeable future, or if it is not likely to obtain taxable income to offset the deductible temporary differences in the future, the relevant deferred income tax assets will not be recognized. Except for the above exceptions, the Group recognizes deferred income tax assets arising from other deductible temporary differences to the extent that it is likely to obtain taxable income to offset the deductible temporary differences.

For deductible losses and tax deductions that can be carried forward to future years, the corresponding deferred income tax assets are recognized to the extent that it is likely to obtain future taxable income to offset the deductible losses and tax deductions.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the applicable tax rate during the expected period of asset recovery or liability settlement in accordance with tax laws.

On the balance sheet date, the book value of deferred income tax assets is reviewed. If it is likely that sufficient taxable income will not be available in the future to offset the benefits of deferred income tax assets, the book value of deferred income tax assets is written down. When it is highly possible to obtain sufficient taxable income, the amount written down shall be reversed.

IV. Significant accounting policies and estimates (Continued)

21. Deferred income tax asset and liability (Continued)

(3) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

Except for the current period income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly recognized in shareholders' equity, as well as the book value of goodwill adjusted for deferred income tax generated from business mergers, other current period income tax and deferred income tax expenses or gains are recognized in current profit and loss.

22. Leases

On the commencement date of the contract, the Group evaluates whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, the contract is a lease or includes a lease. To determine whether the contract transfers the right to control the use of identified assets for a certain period of time, the Group evaluates whether customers in the contract have the right to obtain almost all economic benefits arising from the use of identified assets during the use period, and have the right to dominate the use of identified assets during that use period.

If multiple separate leases are included in the contract, the group will split the contract and accounting for each separate lease separately. If the following conditions are met simultaneously, the right to use the identified assetconstitutes a separate lease in the contract: ① the lessee can profit from using the asset alone or using it together with other readily available resources; ② This asset does not have a high degree of dependence or correlation with other assets in the contract.

If both the leasing and non leasing parts are included in the contract, the Group, as the lessor and lessee, will split the leasing and non leasing parts for accounting treatment.

IV. Significant accounting policies and estimates (Continued)

22. Leases (Continued)

(1) The Group records leasing business as a lessee

The asset categories of the Group's use rights mainly include leased houses and buildings, machinery and equipment, other equipment, and land use rights.

1) Initial measurement

On the lease commencement date, the Group recognizes its right to use the leased asset during the lease term as a right to use asset, and recognizes the present value of unpaid lease payments as a lease liability, except for short-term leases and low value asset leases. When calculating the present value of lease payments, the Group uses the implicit interest rate of the lease as the discount rate; If the implicit interest rate of the lease cannot be determined, the lessee's incremental borrowing rate shall be used as the discount rate.

2) Subsequent measurement

In the subsequent measurement, if it can be reasonably determined that the ownership of the leased asset will be obtained at the end of the lease term, the Group shall accrue depreciation within the remaining useful life of the leased asset. If it is impossible to reasonably determine that ownership of the leased asset can be obtained at the end of the lease term, the Group shall accrue depreciation during the shorter of the lease term or the remaining useful life of the leased asset.

The Group calculates the interest expense of lease liabilities for each period of the lease term at a fixed periodic interest rate and includes it in the current profit and loss.

The variable lease payments that are not included in the measurement of lease liabilities are recognized in the current profit and loss when they are actually incurred.

IV. Significant accounting policies and estimates (Continued)

22. Leases (Continued)

(1) The Group records leasing business as a lessee (Continued)

2) Subsequent measurement (Continued)

After the start date of the lease term, when there is a change in the actual fixed payment amount, a change in the expected payable amount of the guarantee residual value, a change in the index or ratio used to determine the lease payment amount, a change in the evaluation results or actual exercise of the purchase option, renewal option, or termination option, the Group remeasures the lease liability based on the present value of the changed lease payment amount, And adjust the book value of the right to use assets accordingly. If the book value of the right to use asset has been reduced to zero, but the lease liability still needs to be further reduced, the group will include the remaining amount in the current profit and loss.

3) Lease Change

Lease changes refer to changes in the lease scope, lease consideration, and lease term beyond the original contract terms, including adding or terminating the right to use one or more leased assets, extending or shortening the lease term specified in the contract, etc.

If a lease undergoes a change and simultaneously meets the following conditions, the Group will treat the lease change as a separate lease for accounting purposes: ① the lease change expands the lease scope by increasing the right to use one or more leased assets; ② The increased consideration is equivalent to the individual price for the majority of the expansion of the lease scope adjusted according to the contract situation.

IV. Significant accounting policies and estimates (Continued)

22. Leases (Continued)

(1) The Group records leasing business as a lessee (Continued)

3) Lease Change (Continued)

If the lease change is not accounted for as a separate lease, the Group will re determine the lease term on the effective date of the lease change and use the revised discount rate to discount the changed lease payment amount to remeasure the lease liability. When calculating the present value of lease payments after changes, the Group adopts the implicit interest rate of the remaining lease period as the discount rate; If the implicit interest rate of the remaining lease period cannot be determined, the discount rate shall be the incremental borrowing rate of the Group on the effective date of the lease change.

Regarding the impact of the above lease liability adjustment, the Group distinguishes the following situations for accounting treatment: ① If the lease change results in a reduction in the lease scope or lease term, the Group adjusts the book value of the right to use assets to reflect partial or complete termination of the lease. The Group will record the gains and losses related to partial or complete termination of leases in the current profit and loss. ② For other lease changes, the Group will adjust the book value of the right to use assets accordingly.

4) Short term leasing and low value asset leasing

The Group chooses not to recognize right of use assets and lease liabilities for short-term leases and low value asset leases. During each period of the lease term, the relevant asset costs or current profit and loss are recognized using the straight-line method, and contingent rents are recognized in the current profit and loss when actually incurred.

IV. Significant accounting policies and estimates (Continued)

22. Leases (Continued)

(2) The Group, as the lessor, records operating lease business

The rental income from operating leases is recognized as current profit or loss on a straight-line basis during each period of the lease term. The initial direct expenses with a large amount shall be capitalized when incurred, and shall be recognized in the current profit and loss in installments throughout the entire lease period on the same basis as the recognition of rental income; Other initial direct expenses with smaller amounts are recognized in the current profit and loss when incurred. Contingent rent is recognized in the current profit and loss when it is actually incurred.

(3) The Group, as the lessor, records financial leasing business

On the commencement date of the lease term, the sum of the minimum lease receipt amount on the lease commencement date and the initial direct expenses shall be recognized as the entry value of the receivable financing lease payments, while recording the unguaranteed residual value; The difference between the sum of the minimum lease receipt amount, initial direct expenses, and unguaranteed residual value and their present value is recognized as unrealized financing income. The balance of receivable financing lease payments after deducting unrealized financing income is presented separately as long-term debt and long-term debt due within one year.

Unrealized financing income is calculated and recognized as current financing income using the effective interest rate method during the lease term. Contingent rent is recognized in the current profit and loss when it is actually incurred.

(4) Sale and leaseback transactions

As a lessee, the transfer of assets in the sale and leaseback transaction belongs to sales. The Group, as a lessee, measures the use rights assets formed by the sale and leaseback based on the portion of the original asset book value related to the leaseback obtained, and only recognizes the relevant gains or losses based on the rights transferred to the lessor; If the asset transfer in a sale and leaseback transaction does not belong to sales, the Group, as the lessee, continues to recognize the transferred asset and recognizes a financial liability equal to the transfer income.

IV. Significant accounting policies and estimates (Continued)

22. Leases (Continued)

(4) Sale and leaseback transactions (Continued)

When acting as a lessor, asset transfer in a sale and leaseback transaction belongs to sales. The Group, as the lessor, conducts accounting treatment for asset purchases and leases assets in accordance with the aforementioned regulations; The transfer of assets in a sale and leaseback transaction does not belong to sales, and the Group, as the lessor, does not recognize the transferred assets, but recognizes a financial asset equal to the transfer income.

23. Contract liabilities

Contractual liabilities reflect the obligation of the Group to transfer goods to customers for consideration received or receivable from customers. If the customer has already paid the contract consideration or the group has obtained the unconditional right to receive the contract consideration before transferring the goods to the customer, the contract liability shall be recognized based on the received or receivable amount at the earlier of the actual payment by the customer or the due payment

24. Employee benefits

The employee compensation of the Group mainly includes short-term employee compensation, post employment benefits, termination benefits, and other long-term employee benefits. Among them:

Short term compensation mainly includes wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance premiums, maternity insurance premiums, work-related injury insurance premiums, housing provident fund, labor union funds and employee education expenses, non monetary benefits, etc. The Group recognizes the actual short-term employee compensation incurred during the accounting period when employees provide services to the Group as a liability and includes it in the current profit and loss or related asset costs. Non monetary benefits are measured at fair value.

Post employment benefits mainly include defined contribution plans. The designated contribution plan mainly includes basic pension insurance, unemployment insurance, and annuity, and the corresponding payable amount is included in the relevant asset cost or current profit and loss when incurred.

IV. Significant accounting policies and estimates (Continued)

24. Employee benefits (Continued)

If the employment relationship with the employee is terminated before the expiration of the employment contract, or if compensation is proposed to encourage the employee to voluntarily accept layoffs, and the Group cannot unilaterally withdraw the termination benefits provided due to the termination of the employment relationship plan or layoff proposal, or if the Group recognizes the costs related to the restructuring involving the payment of termination benefits, whichever is earlier, the employee compensation liability arising from the termination benefits shall be recognized and included in the current profit and loss. However, if the expected termination benefits cannot be fully paid within twelve months after the end of the annual reporting period, they will be treated as other long-term employee compensation.

The internal retirement plan for employees adopts the same principle as the aforementioned dismissal benefits. The Group will include the salaries and social insurance premiums to be paid for early retirees during the period from the date when employees cease providing services to the normal retirement date, in the current profit and loss (termination benefits) when they meet the recognition criteria for expected liabilities.

25. Segmental reporting

The Group determines operating segments on the basis of its internal organizational structure, management requirements and internal reporting system, and determines reporting segments and discloses segment information on the basis of operating segments.

Operating segment refers to a component of the Group that simultaneously meets the following conditions: (1) The component can generate revenue and incur expenses in its daily activities; (2) The management of the Group is able to evaluate the operating results of the component on a regular basis to determine the allocation of resources to it and evaluate its performance; (3) The Group is able to obtain accounting information regarding the financial position, operating results and cash flows of the component. If two or more operating segments have similar economic characteristics and meet certain conditions, they may be combined into one operating segment.

IV. Significant accounting policies and estimates (Continued)

26. Methods and selection basis for determining significance criteria

Monetary unit: RMB million

Items	Standard
The important Construction in progress	50
Significant account payable aging over 1 year	5
Significant balances of other payables aging over 1 year	100
The important joint ventures	600
The important association	1000

27. Corrections of prior period errors

There are no corrections of prior year errors for the period.

28. Significant accounting judgments and estimates

In the process of applying accounting policies, due to the inherent uncertainty of operating activities, the Group needs to make judgments, estimates, and assumptions about the book value of statement items that cannot be accurately measured. These judgments, estimates, and assumptions are based on the past historical experience of the management of the group, and are made taking into account other relevant factors. These judgments, estimates, and assumptions will affect the reported amounts of income, expenses, assets, and liabilities, as well as the disclosure of contingent liabilities on the balance sheet date. However, the uncertainty of these estimates may result in significant adjustments to the carrying amount of future affected assets or liabilities.

The Group conducts regular reviews of the aforementioned judgments, estimates, and assumptions on a going concern basis. If changes in accounting estimates only affect the current period of the change, their impact will be recognized in the current period of the change; If it affects both the current and future periods of the change, the impact amount shall be recognized in the current and future periods of the change.

IV. Significant accounting policies and estimates (Continued)

28. Significant accounting judgments and estimates (Continued)

On the balance sheet date, the important areas in which the Group needs to make judgments, estimates, and assumptions about the amounts of financial statement items are as follows:

(1) Inventory depreciation reserves

According to the inventory accounting policy, the Group measures inventory at the lower of cost and net realizable value. For inventory with costs higher than net realizable value, as well as obsolete and unsold inventory, a provision for inventory depreciation is made. The impairment of inventory to net realizable value is based on the evaluation of its marketability and net realizable value. Identifying inventory impairment requires management to make judgments and estimates based on obtaining conclusive evidence and considering factors such as the purpose of holding inventory and the impact of events after the balance sheet date. The difference between the actual results and the original estimate will affect the book value of inventory and the provision or reversal of inventory depreciation reserves during the period when the estimate is changed.

(2) Provision for impairment of non current assets

On the balance sheet date, the Group assesses whether there are any signs of possible impairment of non current assets other than financial assets. For intangible assets with uncertain useful lives, in addition to annual impairment tests, impairment tests are also conducted when there are signs of impairment. Other non current assets, other than financial assets, are tested for impairment when there are signs that their carrying amount is not recoverable.

When the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of the net amount of fair value minus disposal expenses and the present value of expected future cash flows, it indicates impairment.

The net amount of fair value minus disposal expenses is determined by referring to the sales agreement price or observable market price of similar assets in fair trade, minus the incremental costs directly attributable to the disposal of the asset.

IV. Significant accounting policies and estimates (Continued)

28. Significant accounting judgments and estimates (Continued)

(2) Provision for impairment of non current assets (Continued)

When estimating the present value of future cash flows, significant judgments need to be made regarding the output, selling price, related operating costs, and discount rate used in calculating the present value of the asset (or asset group). The Group will use all available relevant information when estimating the recoverable amount, including predictions based on reasonable and supported assumptions regarding production, selling prices, and related operating costs.

(3) Depreciation and amortization

The Group calculates depreciation and amortization of fixed assets and intangible assets on a straight-line basis over their useful lives, taking into account their residual values. The Group regularly reviews the service life to determine the amount of depreciation and amortization expenses to be included in each reporting period. The service life is determined by the Group based on past experience with similar assets and in combination with expected technological updates. If there is a significant change in previous estimates, depreciation and amortization expenses will be adjusted in future periods.

(4) Deferred income tax assets

To the extent that there is a high likelihood of sufficient taxable income to offset losses, the Group recognizes deferred income tax assets for unused tax losses. This requires the management of the group to use judgment to estimate the time and amount of future taxable income, and combine it with tax planning strategies to determine the amount of deferred income tax assets that should be recognized.

(5) Income tax

In the normal business activities of the Group, there is some uncertainty in the final tax treatment and calculation of certain transactions. Whether some projects can be disbursed before tax requires approval from the tax authorities. If there is a difference between the final recognition results of these tax matters and the initial estimated amount, the difference will have an impact on the current income tax and deferred income tax during the final recognition period.

IV. Significant accounting policies and estimates (Continued)

28. Significant accounting judgments and estimates (Continued)

(6) Internal retirement benefits and supplementary retirement benefits

The amount of expenses and liabilities for retirement benefits and supplementary retirement benefits within the group is determined based on various assumptions. These assumptions include discount rates, average medical expense growth rates, subsidy growth rates for early retirees and retirees, and other factors. The difference between the actual results and assumptions will be immediately recognized and included in the current year's expenses upon occurrence. Although the management believes that reasonable assumptions have been adopted, changes in actual experience values and assumptions will still affect the expenses and liability balances of retirement benefits and supplementary retirement benefits within the group.

(7) Impairment of financial instruments

The Group adopts the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgment and estimation, taking into account all reasonable and evidence-based information, including forward-looking information. When making such judgments and estimates, the Group infers expected changes in the debtor's credit risk based on historical repayment data, combined with economic policies, macroeconomic indicators, industry risks, significant changes in the debtor, warning customer lists, collateral, and other factors.

IV. Significant accounting policies and estimates (Continued)

29. Changes of significant accounting policies and estimates

(1) There are changes in accounting policies for the period

The Company accounts for standard warehouse receipt transactions in accordance with the relevant requirements set out in the Q&A on the Implementation of the Financial Instruments Standards.

The Ministry of Finance issued the Q&A on the accounting treatment for standard warehouse receipt transactions on July 8, 2025. It clarifies that, in accordance with the Accounting Standards for Financial Instruments: Recognition and Measurement, if an entity frequently enters into purchase and sale contracts of standard warehouse receipts on futures trading markets to earn price differentials without taking physical delivery of the underlying commodities, such activities generally indicate that the entity has a practice of reselling the contracted assets shortly after receipt to profit from short-term price fluctuations. The entity shall treat the purchase and sale contracts of standard warehouse receipts as financial instruments and account for them in accordance with the Accounting Standards for Financial Instruments: Recognition and Measurement. When an entity acquires standard warehouse receipts pursuant to the aforementioned contracts and sells them within a short period of time, no sales revenue shall be recognized. The difference between the consideration received and the carrying amount of the standard warehouse receipts sold shall be recorded in investment income. Standard warehouse receipts held by the entity that remain unsold at the end of the reporting period shall be presented as other current assets.

In accordance with the requirements of the Notice on Strictly Implementing the Accounting Standards for Business Enterprises and Effectively Preparing the 2025 Annual Reports (Cai Kuai [2025] No. 33), if an enterprise adjusts its accounting treatment as a result of applying the aforementioned provisions related to standard warehouse receipts, the comparative information in the financial statements shall be restated accordingly. The Group has applied these provisions commencing from the year of issuance of the interpretation. The application of these provisions has no significant impact on the Group's financial position and operating results.

(2) There are no significant changes in accounting estimates for the period

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

V. Taxation

1. Main taxes and tax rate

Type of tax	Specific tax rate (unit tax amount)
Value added tax ("VAT")	Output VAT is calculated based on taxable income, according to the applicable tax, Applicable tax rates include 13%, 9%, 6%.
City construction and Education surtax	Paid circulating tax: 7%, 3%, 2%
Enterprise income tax	Taxable income: 15%, 25%
	Atmospheric pollutants: The pollution equivalent number converted from pollutant discharge is multiplied by RMB1.2 or RMB2.4 per pollution equivalent for tax calculation.
Environmental protection tax	Water pollutants: The pollution equivalent number converted from the amount of pollutant discharge is multiplied by RMB1.4 or RMB2.8 per pollution equivalent for tax calculation.
	Solid wastes: The amount of solid waste discharged is multiplied by RMB25 per ton for tax calculation.

Disclosure requirements for entities subject to different corporate income tax rates

Taxpayer Name	Income Tax Rate
The Company	15%
Angang steel Group Chaoyang Iron and Steel Co., Ltd. ("Chaoyang Iron and Steel")	15%
Angang Chemical Technology Co., Ltd. ("Chemical Technology")	15%
Kobelco Angang Auto Steel Co Ltd. ("Angang Kobelco")	15%
Angang Steel Processing and Distribution (Changchun) Co., Ltd. ("ASPD-CC")	15%
Liaoning Jinsuoju Material Technology Co., Ltd. ("Jinsuoju")	15%

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

V. Taxation (Continued)

2. Tax Incentives

(1) Pursuant to Article 28 of the Enterprise Income Tax Law of the People's Republic of China "High-tech enterprises that are nationally recognized as requiring key support shall be subject to a reduced enterprise income tax rate of 15%", the company and five subsidiaries qualify for this tax incentive, as detailed below:

Taxpayer Name	Nature	Certificate No.	Validity Period
The Company	High-Tech Enterprise	GR202421000799	2024.11.27-2027.11.27
Chaoyang Iron and Steel	High-Tech Enterprise	GR202421001134	2024.11.27-2027.11.27
Chemical Technology	High-Tech Enterprise	GR202421000274	2024.11.27- 2027.11.27
Angang Kobelco	High-Tech Enterprise	GR202321000828	2023.11.29- 2026.11.29
ASPD-CC	High-Tech Enterprise	GR202522000161	2025.10.28- 2028.10.28
Jinsuoju	High-Tech Enterprise	GR202521000324	2025.12.08- 2028.12.08

(2) In accordance with the Announcement on Improving the VAT Policy for Resource Comprehensive Utilization (MOF and SAT Announcement No. 40 [2021]), general VAT taxpayers selling self-produced resource comprehensive utilization products or providing related services may enjoy a VAT "refund upon collection" policy. The Company, Chaoyang Iron and Steel, and Ansteel Green Gold Industry Development Co., Ltd. ("**Green Gold Industry**") qualify for this incentive.

(3) Pursuant to the Announcement on the VAT Additional Deduction Policy for Advanced Manufacturing Enterprises (MOF and SAT Announcement No. 43 [2024]), from January 1, 2024, to December 31, 2027, advanced manufacturing enterprises are permitted to deduct an additional 5% of the current deductible input VAT from their payable VAT. The company and subsidiaries (Chaoyang Iron and Steel, Chemical Technology, Angang Kobelco, and ASPD-CC) are eligible for this incentive.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements

Unless otherwise specified, the current period refers to the 12-month period ending on December 31, 2025, and the previous period refers to the 12-month period ending on December 31, 2024.

1. Cash and cash equivalents

Item	31 December 2025	31 December 2024
Cash		
Bank deposits *(Note 1)*	**3,663**	4,250
Other cash and cash equivalents *(Note 2)*	**250**	294
Total	**3,913**	4,544

Note 1: For details of the funds deposited by the Group in Angang Finance, please refer to Note XIII.5.3

Note 2: Other cash and cash equivalents primarily consist of bank acceptance bill deposits and funds deposited in futures accounts.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

2. Held-for-trading financial assets

Item	31 December 2025	31 December 2024
Financial assets measured at fair value through profit or loss (FVTPL)	20	15
including: Investments in equity instruments	20	15
Total	20	15

3. Derivative financial assets

Item	31 December 2025	31 December 2024
Futures contract	4	
Total	4	

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

4. Notes receivable

(1) Classification of notes receivable

	31 December 2025			31 December 2024		
Items	Book Balance	Bad Debt Provision	Net Book Value	Book Balance	Bad Debt Provision	Net Book Value
Bank acceptance notes	315		315	55		55
Commercial acceptance notes						
Total	315		315	55		55

(2) Notes receivable transferred to accounts receivable due to insolvency of the issuer as of 31 December 2025

Items	Amount transferred to accounts receivable at year-end
Bank acceptance notes	20
Commercial acceptance notes	
Total	20

(3) Aging of notes receivable at year-end

The age of the notes receivable of the group at year-end mentioned above is within 1 year.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

5. Accounts receivable

(1) Classification of accounts receivable

Item	31 December 2025				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	107	3.37	87	81.31	20
Account receivable for which bad debt is prepared based on group combination	3,067	96.63	4	0.13	3,063
including: Risk-free group combination	1,185	37.34			1,185
Risk group combination on the basis of aging-matrix	1,882	59.29	4	0.21	1,878
Total	3,174	100.00	91	2.87	3,083

Item	31 December 2024				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	455	13.57	397	87.25	58
Account receivable for which bad debt is prepared based on group combination	2,899	86.43	5	0.17	2,894
including: Risk-free group combination	719	21.43			719
Risk group combination on the basis of aging-matrix	2,180	65.00	5	0.23	2,175
Total	3,354	100.00	402	11.99	2,952

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

5. Accounts receivable (Continued)

(2) Accounts receivable subject to separate assessment for bad debts provision

	31 December 2024		31 December 2025			
Debtors	Book Value	Bad Debt Provision	**Book Value**	**Bad Debt Provision**	**Percentage** *(%)*	**Reason**
Tianjin Property Group Finance Co., Ltd.	366	311	20			
Anshan Zhongyou Tianbao Steel Pipe Co., Ltd.	67	67	65	65	100.00	Business is in trouble. It does not have repayment ability
Dongbei Special Steel Group Dalian material trading Co., Ltd.	15	15	15	15	100.00	Estimated uncollectible
Shanghai Junshang Supply Chain Management Co., Ltd	5	2	5	5	100.00	Business is in trouble. It does not have repayment ability
Dongfeng Mochong (Dalian) Punching and Welding Parts Co., Ltd	2	2	2	2	100.00	Bankruptcy of debtor. It does not have repayment ability
Total	455	397	107	87		

(3) Accounts receivable classified by aging

Aging	**31 December 2025**	31 December 2024
Within 1 year	3,053	2,857
1 to 2 years	12	42
2 to 3 years	5	3
3 to 4 years		
4 to 5 years		
Over 5 years	104	452
Total	3,174	3,354

Note: In the above analysis, based on the invoice date.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

5. Accounts receivable (Continued)

(4) Bad debt provision at the end of the period

		Increase/Decrease				
Type	31 December 2024	Bad debt provision	Reverse	Resale or verification	Others	**31 December 2025**
Accounts receivable	402	1		(1)	(311)	**91**

(5) Accounts receivable written off this period

Accounts receivable of RMB1 million from Anshan Zhongyou Tianbao Steel Pipe Co., Ltd. has been written off during the period.

(6) The condition of accounts receivable of the top five debtors by the balances as of 31 December 2025

The total amount of top five accounts receivable according to closing balance of debtors of the Group was RMB1,935 million as of 31 December 2025, which accounted for 60.96% of the closing balance of the total accounts receivable. The summary closing balance of corresponding bad debt provision amounted to RMB0 million as of 31 December 2025.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

6. Receivables financing

(1) Classification of receivables financing

Items	31 December 2025			31 December 2024		
	Book Balance	Bad Debt Provision	Net Book Value	Book Balance	Bad Debt Provision	Net Book Value
Bank acceptance notes	1,480		1,480	918		918
Commercial acceptance notes						
Total	1,480		1,480	918		918

(2) Receivable financing that have been endorsed or discounted as of December 31, 2025 and have not yet matured on the balance sheet date

Items	Amount of termination confirmation	Amount of Non-termination confirmation
Bank acceptance notes	17,061	
Commercial acceptance notes		
Total	17,061	

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

7. Prepayments

(1) Prepayments classified by aging

Items	31 December 2025 Balance	31 December 2025 Percentage (%)	31 December 2024 Balance	31 December 2024 Percentage (%)
Within 1 year	**2,470**	**99.52**	3,153	98.87
1 to 2 years	**1**	**0.04**	28	0.88
2 to 3 years	**9**	**0.36**	6	0.19
Over 3 years	**2**	**0.08**	2	0.06
Total	**2,482**	**100.00**	3,189	100.00

(2) The top five prepayments with outstanding balance as of December 31, 2025

The total amount of the top five prepayments collected by the group as of December 31, 2025 based on the prepayments is 1,778 million, accounting for 71.64% of the total balance of prepayments as of December 31, 2025.

8. Other receivables

Items	31 December 2025	31 December 2024
Interests receivable		
Dividends receivable		
Other receivables	**95**	66
Total	**95**	66

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

8. Other receivables (Continued)

8.1 The condition of other receivables

(1) Classification of other receivables

Items	31 December 2025				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provisio	9	7.96	9	100.00	
Other receivables for which bad debt is prepared based on group combination	104	92.04	9	8.65	95
Including: Risk-free group combination	1	0.89			1
Risk group combination on the basis of aging-matrix	103	91.15	9	8.74	94
Total	113	100.00	18	15.93	95

Items	31 December 2024				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provisio	9	11.39	9	100.00	
Other receivables for which bad debt is prepared based on group combination	70	88.61	4	5.71	66
Including: Risk-free group combination	3	3.80			3
Risk group combination on the basis of aging-matrix	67	84.81	4	5.97	63
Total	79	100.00	13	16.46	66

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

8. Other receivables (Continued)

8.1 The condition of other receivables (Continued)

(2) Other receivables classified by the nature

Item	31 December 2025	31 December 2024
The service fee of land acquisition	9	9
Petty cash	7	6
Industrial injury loan	4	4
Others	93	60
Total	113	79

(3) Other receivables classified by aging

Aging	31 December 2025	31 December 2024
Within 1 year	86	48
1 to 2 years	1	14
2 to 3 years	13	6
3 to 4 years	2	1
4 to 5 years	1	1
Over 5 years	10	9
Total	113	79

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

8. Other receivables (Continued)

8.1 The condition of other receivables (Continued)

(4) The accrual condition of bad debt provision

Bad debt provision	The first stage Expected credit losses within the next 12 months	The second stage Expected credit losses for the entire duration of the period (no credit impairment)	The third stage Expected credit losses for the entire duration of the period (credit impairment has occurred)	Total
Balance at 31 December 2024	4		9	13
Bad debt provision	5			5
Reverse				
Resale or verification				
Write of				
Other changes				
Balance at 31 December 2025	9		9	18

(5) Bad debt provision at the end of the period

		Change in this period			
Item	31 December 2024	Bad debt provision	Reverse	Resale or verification	**31 December 2025**
Other receivables	13	5			**18**

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

8. Other receivables (Continued)

8.1 The condition of other receivables (Continued)

(6) Other receivables subject to separate assessment for bad debts provision

Name	31 December 2024		31 December 2025			
	Book Value	Bad Debt Provision	Book Value	Bad Debt Provision	Percentage (%)	Reason
Land acquisition service station of Chaoyang City	9	9	9	9	100	Not expected to be recovered
Total	9	9	9	9		

(7) Other receivables with the top five balances as of December 31, 2025

The summary amount of the top five other accounts receivable as of December 31, 2025 collected by the debtor in this period is RMB89 million, accounting for 78.76% of the total balance of other accounts receivable as of December 31, 2025. The corresponding provision for bad debts as of December 31, 2025 is RMB16 million.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

9. Inventories

(1) Classification of Inventory

Item	31 December 2025 Book Value	Inventory falling Price Reserves	Carrying Value
Raw materials	5,700	320	5,380
Work in progress	3,343	257	3,086
Finished goods	2,442	99	2,343
Revolving materials	497	130	367
Spare parts	750	22	728
Materials in transit	84		84
Materials for Consigned Processing	5		5
Total	12,821	828	11,993

Item	31 December 2024 Book Value	Inventory falling Price Reserves	Carrying Value
Raw materials	7,167	476	6,691
Work in progress	3,934	120	3,814
Finished goods	2,926	66	2,860
Revolving materials	499	132	367
Spare parts	808	26	782
Materials in transit	254		254
Materials for Consigned Processing	1		1
Total	15,589	820	14,769

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

9. Inventories (Continued)

(2) Inventory falling price reserves

Item	31 December 2024	Increase Provision	Decrease Written Back	Decrease Others	31 December 2025
Raw materials	476	94	250		**320**
Work in progress	120	296	159		**257**
Finished goods	66	208	175		**99**
Revolving materials	132	2	4		**130**
Spare parts	26	1	5		**22**
Total	820	601	593		**828**

10. Other current assets

Item	31 December 2025	31 December 2024
Tax retained	**490**	808
Prepayment of enterprise income tax	**20**	7
Time Deposit	**597**	927
Total	**1,107**	1,742

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

11. Long-term equity investments

Details of long-term equity investments

The invested entity	31 December 2024	Increase/Decrease Increase	Decrease	Investment income under the equity method	Other comprehensive income
Jointly venture					
TKAS Auto Steel Company Limited ("ANSC-TKS")	906			363	
The iron and Steel shares – Dalian ship heavy industry steel processing Distribution Co. Ltd. ("ANSC – Dachuan")	114			1	
Ansteel Guangzhou Automobile Steel Co., Ltd. ("Guangzhou Automobile Steel")	661	112		60	
Anji (Yingkou) New Energy Technology Co., Ltd. ("Anji Yingkou")	113	100		50	
Sub-total	1,794	212		474	
Associated venture					
Angang Group Finance Co., Ltd. ("Angang Finance")	1,674			84	(1)
Anshan Anshan Iron Oxide Powder Co., Ltd. ("Iron Oxide Powder Company")	20			3	
Guangzhou Nansha Steel Logistical Co., Ltd. ("Nansha Logistical")	53			(5)	
Anshan Iron and steel solid gold (Hangzhou) metal materials Co., Ltd. ("AISSG")	117			5	
Guangzhou GAC Baoshang Steel Processing Co., Ltd. ("GAC Baoshang")	112			10	
Meizhou GAC Automobile Spring Co., Ltd. ("Meizhou Motor Company")	38				
ChaoyangZhong'an Water Co., Ltd. ("Zhong'an Water")	32				
Green Gold (Benxi) Renewable Resources Co., Ltd. ("Green Gold (Benxi)")		29		4	
Tianjin Wuchang No.19 Enterprise Management Partnership Enterprise (Limited Partnership) ("Tianwu No.19")		35			
Sub-total	2,046	64		101	(1)
Total	3,840	276		575	(1)

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

11. Long-term equity investments (Continued)

	Increase/Decrease				
The invested entity	Other Equity Changes	Declaration of Cash Dividends or Profits	Provision for impairment Loss	Others	
Jointly venture					
ANSC-TKS		407		6	868
ANSC – Dachuan	1				116
Guangzhou Automobile Steel	2	44			791
Anji Yingkou					263
Sub-total	3	451		6	2,038
Associated venture					
Angang Finance		20			1,737
Iron Oxide Powder Company					23
Nansha Logistical					48
AISSG		4			118
GAC Baoshang		11			111
Meizhou Motor Company					38
Zhong'an Water		2			30
Green Gold (Benxi)					33
Tianwu No.19					35
Sub-total		37			2,173
Total	3	488		6	4,211

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

12. Other equity instrument investments

(1) Changes of other equity instrument investments

Items	31 December 2025	31 December 2024	Gains included in other comprehensive income this period	Losses included in other comprehensive income this period
WISDRI Engineering & Research Incorporation Limited Company ("WISDRI")	570	549	21	
Heilongjiang Longmay Mining Group Co., Ltd. ("Longmay Group")	54	91		(37)
Anshan Falan Packing Material Co. Ltd. ("Falan Packing")	26	26		
Changsha Bao steel steel processing & Distribution Co., Ltd. ("Changsha steel")	12	11	1	
China Shipbuilding Industry Equipment and Materials Bayuquan Co., Ltd. ("China Shipbuilding")	6	6		
Guoqi Automobile Lightweight (Beijing) Technology Research Institute Co., Ltd. ("Guoqi Lightweight")	3	3		
Shanghai HGB Digital Technology CO., LTD. ("Shanghai HGB")	4	4		
Jindian (Hangzhou) Technology Co., Ltd. ("Jindian")				
Total	675	690	22	(37)

VI. Notes to consolidated financial statements (Continued)

12. Other equity instrument investments (Continued)

(1) Changes of other equity instrument investments (Continued)

Items	Accumulated gains included in other comprehensive income at the end of this period	Accumulated losses included in other comprehensive income at the end of this period	Recognized dividend income current period	Designation Reason (measured at fair value and the changes of their value are recorded in other comprehensive income.)
WISDRI	431		17	
Longmay Group		(191)		
Falan Packing	5		1	
Changsha steel		(4)		
China Shipbuilding		(4)		
Guoqi Lightweight				
Shanghai HGB	2			
Jindian		(2)		
Total	438	(201)	18	

VI. Notes to consolidated financial statements (Continued)

12. Other equity instrument investments (Continued)

(2) Non-tradable investments in equity instruments current period

Items	Recognized dividend income current period	Accumulated gain	Accumulated loss	other comprehensive income transfer to retained earnings.	Designation Reason (measured at fair value and the changes of their value are recorded in other comprehensive income.)	Reason (other comprehensive income transfer to retained earnings)
WISDRI	17	431				
Longmay Group			(191)			
Falan Packing	1	5				
Changsha steel			(4)			
China Shipbuilding			(4)			
Guoqi Lightweight						
Shanghai HGB		2				
Jindian			(2)			
Total	18	438	(201)			

Note: The equity instrument investments that the Group does not offer in the open market are investments that the Group plans to hold for the long term. Therefore, the Group designates them as financial assets measured at fair value with changes recognized in other comprehensive income.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

13. Other non-current financial assets

The Invested Entity	Book value 31 December 2025	Book value 31 December 2024
Zhuzhou Smelter Group Co., Ltd. ("ZhuYe Group")	**74**	36
HNA bankruptcy reorganization special service trust	**47**	47
Caidie NO.6 property rights trust plan	**16**	16
Caidie NO.5 property rights trust plan	**5**	5
Total	**142**	104

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

14. Fixed assets

(1) Analysis of fixed assets

Items	Houses and Buildings	Machinery	Others	Total
① **Original Cost**				
31 December 2024	37,724	95,096	6,889	139,709
Increase in the period	1,030	5,950	568	7,548
(1) Purchase		3	3	6
(2) Transform from project under construction	983	5,817	562	7,362
(3) Increase from combination				
(4) Others	47	130	3	180
Decrease in the period	25	572	50	647
(1) Disposal or scrap	13	567	50	630
(2)Others	12	5		17
31 December 2025	38,729	100,474	7,407	146,610
② **Accumulated depreciation**				
31 December 2024	17,238	61,893	5,256	84,387
Increase in the period	892	2,766	344	4,002
(1) Depreciation	852	2,645	333	3,830
(2) Increase from combination				
(3) Others	40	121	11	172
Decrease in the period	9	443	47	499
(1) Disposal or scrap	9	443	47	499
(2) Others				
31 December 2025	18,121	64,216	5,553	87,890
③ **Provision for impairment**				
31 December 2024	603	2,738	139	3,480
Increase in the period				
(1) Provision				
(2) Others				
Decrease in the period		32		32
(1) Disposal or scrap		32		32
(2) Others				
31 December 2025	603	2,706	139	3,448
④ **Book Value**				
31 December 2025	20,005	33,552	1,715	55,272
31 December 2024	19,883	30,465	1,494	51,842

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

14. Fixed assets (Continued)

(2) Fixed assets leased out by operating lease

Type	31 December 2025	31 December 2024
Houses and buildings	13	13
Machinery	5	6
Total	18	19

(3) Impairment testing of fixed assets

Against the backdrop of sluggish domestic demand, volatile raw material prices and intensified industrial regulation within China's steel industry in 2025, certain production lines of the Group experienced cost inversion, indicating impairment indicators in the relevant production machinery and equipment. The Group therefore conducted an impairment test on the asset groups corresponding to typical production lines. The recoverable amount of such asset groups, measured based on the present value of estimated future cash flows, was higher than their carrying amounts, and accordingly no impairment loss was recognised.

15. Construction in progress

Item	31 December 2025	31 December 2024
Construction in progress	2,372	5,801
Construction materials	1	1
Total	2,373	5,802

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

15. Construction in progress (Continued)

15.1 Construction in progress

(1) Details of constructions in progress

	31 December 2025			31 December 2024		
Item	Book balance	Impairment Provision	Book value	Book balance	Impairment Provision	Book value
Overhaul of No.3 and No.4 Coke Ovens in No.1 Coking Plant of the General Coking Plant	250		250	46		46
Panzhihua Tar Processing Project	232		232	2		2
Upgrading and Efficiency Improvement Project of the Combined Unit in the No.2 Branch of the Cold Rolling Mill	158		158	75		75
Renovation Project of No.1, No.2 and No.3 Heating Furnaces of 1780 Line in Hot Strip Mill	102		102	33		33
Environmental Protection Upgrading Project of Sintering Machine in General Ironmaking Plant (Ironmaking Property Right)	65		65	42		42
Standard Upgrade Project of Secondary Dedusting System for No.4, No.5 and No.6 Converters in No.1 Branch of General Steelmaking Plant	49		49	47		47
Upgrading Project of Controlled Cooling System for 5500 Production Line in Heavy Plate Department of Bayuquan Iron & Steel Branch	48		48			
New Normalizing Pickling Unit (AP2) Project in the West Area of Cold Rolled Silicon Steel Plant	46		46	73		73
New 220kV Substation Project	44		44	9		9
Reconstruction Project of Public Auxiliary Facilities in the West Area of Cold Rolled Silicon Steel Plant	35		35	33		33
Others	1,349	6	1,343	5,447	6	5,441
Total	2,378	6	2,372	5,807	6	5,801

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes in major constructions in progress

Items	Budget	31 December 2024	Increase of the period	Transferred into fixed assets	Other decrease	31 December 2025
Overhaul of No.3 and No.4 Coke Ovens in No.1 Coking Plant of the General Coking Plant	318	46	204			250
Panzhihua Tar Processing Project	400	2	230			232
Upgrading and Efficiency Improvement Project of the Combined Unit in the No.2 Branch of the Cold Rolling Mill	190	75	83			158
Renovation Project of No.1, No.2 and No.3 Heating Furnaces of 1780 Line in Hot Strip Mill	180	33	107	37	1	102
Environmental Protection Upgrading Project of Sintering Machine in General Ironmaking Plant (Ironmaking Property Right)	1,020	42	23			65
Standard Upgrade Project of Secondary Dedusting System for No.4, No.5 and No.6 Converters in No.1 Branch of General Steelmaking Plant	80	47	2			49
Upgrading Project of Controlled Cooling System for 5500 Production Line in Heavy Plate Department of Bayuquan Iron & Steel Branch	63		48			48
New Normalizing Pickling Unit (AP2) Project in the West Area of Cold Rolled Silicon Steel Plant	290	73	195	222		46
New 220kV Substation Project	130	9	94	59		44
Reconstruction Project of Public Auxiliary Facilities in the West Area of Cold Rolled Silicon Steel Plant	107	33	52	50		35
Others	17,644	5,447	2,963	6,994	67	1,349
Total		5,807	4,001	7,362	68	2,378

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes in major constructions in progress (continued)

Items	Accumulated capitalized borrowing cost	Of Which: Capitalized this Period	Capitalization Rate (%)	Expenditure Over Budget (%)	Project Progress (%)	Resource of Fund
Overhaul of No.3 and No.4 Coke Ovens in No.1 Coking Plant of the General Coking Plant				79	79	Self-financing
Panzhihua Tar Processing Project	1	1	2.71	58	58	Self-financing
Upgrading and Efficiency Improvement Project of the Combined Unit in the No.2 Branch of the Cold Rolling Mill	3	2	2.25	83	83	Self-financing
Renovation Project of No.1, No.2 and No.3 Heating Furnaces of 1780 Line in Hot Strip Mill				79	79	Self-financing
Environmental Protection Upgrading Project of Sintering Machine in General Ironmaking Plant (Ironmaking Property Right)				98	98	Self-financing
Standard Upgrade Project of Secondary Dedusting System for No.4, No.5 and No.6 Converters in No.1 Branch of General Steelmaking Plant				61	61	Self-financing
Upgrading Project of Controlled Cooling System for 5500 Production Line in Heavy Plate Department of Bayuquan Iron & Steel Branch				76	76	Self-financing
New Normalizing Pickling Unit (AP2) Project in the West Area of Cold Rolled Silicon Steel Plant				93	93	Self-financing
New 220kV Substation Project				80	80	Self-financing
Reconstruction Project of Public Auxiliary Facilities in the West Area of Cold Rolled Silicon Steel Plant				80	80	Self-financing
Others	35	5		98	98	Self-financing
Total	39	8				

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(3) Provision of Impairment

Items	31 December 2024	Increase in Current Period Provision	Increase in Current Period Reversal	**31 December 2025**
Hot-rolled pickling plate production line project	6			**6**
Total	6			**6**

15.2 Construction materials

Item	**31 December 2025**	31 December 2024
Special equipment	**1**	1
Total	**1**	1

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

16. Right-of-use assets

Item	Houses and buildings	Land Use Right	Machinery	Total
Original Cost				
1. 31 December 2024	1	183	1	185
2. Increase in the period	37	1	24	62
(1) Lease	37	1	24	62
(2) Increase from business combination				
(3) Others				
3. Decrease in the period	1			1
(1) Disposal	1			1
(2) Transferred out to fixed assets				
(3) Decrease from business combination				
(4) Others				
4. 31 December 2025	37	184	25	246
Accumulated depreciation				
1. 31 December 2024	1	61		62
2. Increase in the period	17	61	2	80
(1) Depreciation	17	61	2	80
(2) Increase from business combination				
3. Decrease in the period	1			1
(1) Disposal	1			1
(2) Transferred out to fixed assets				
(3) Decrease from business combination				
(4) Others				
4. 31 December 2025	17	122	2	141
Provision for impairment				
1. 31 December 2024				
2. Increase in the period				
(1) Provision				
3. Decrease in the period				
(1) Disposal				
4. 31 December 2025				
Book Value				
1. 31 December 2025	20	62	23	105
2. 31 December 2024		122	1	123

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

17. Intangible assets

Items	Land Use Right	Non-Patented Technology	Software	Patent	Steel Capacity Indicators	Total
Original Cost						
1. 31 December 2024	9,052	51	915	5	248	10,271
2. Increase in the period	1		68		28	97
(1) Purchase	1		68		28	97
(2) Internal R&D						
(3) Enterprise merger						
(4) Others						
3. Decrease in the period	3		1			4
(1) Disposal	3		1			4
(2) Decrease from business combination						
4. 31 December 2025	9,050	51	982	5	276	10,364
Accumulative amortization						
1. 31 December 2024	3,053	47	453		8	3,561
2. Increase in the period	184	1	258		8	451
(1) Counting	184	1	258		8	451
(2) Enterprise merger						
(3) Others						
3. Decrease in the period						
(1) Disposition						
(2) Decrease from business combination						
(3) Others						
4. 31 December 2025	3,237	48	711		16	4,012
Provision for impairment						
1. 31 December 2024						
2. Increase in the period						
(1) Counting						
3. Decrease in the period						
(1) Disposal						
4. 31 December 2025						
Book Value						
31 December 2025	5,813	3	271	5	260	6,352
31 December 2024	5,999	4	462	5	240	6,710

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

18. Deferred income tax assets and deferred income tax liabilities

(1) Recognized deferred income tax assets

Items	31 December 2025 Deferred income tax assets	31 December 2025 Temporary difference or deductible loss	31 December 2024 Deferred income tax assets	31 December 2024 Temporary difference or deductible loss
Provision for impairment	294	1,801	311	2,000
Deductible loss	1,712	11,410	1,741	11,609
Dismissal welfare	12	72	18	106
Accumulated depreciation of fixed assets	43	173	33	132
Lease	31	131	27	124
Employee training expenses	12	77	9	55
Deferred income	137	703	133	677
Changes in the fair value of other equity instrument investments	30	201	24	160
Total	2,271	14,568	2,296	14,863

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

18. Deferred income tax assets and deferred income tax liabilities (Continued)

(2) Recognized deferred income tax liabilities

	31 December 2025		31 December 2024	
Items	Deferred Income Tax Liabilities	Taxable Temporary Difference	Deferred Income Tax Liabilities	Taxable Temporary Difference
Changes in the fair value of other equity instrument investments	66	438	62	417
Unrealized profit within the group	1	7	2	15
Changes in fair value of other non-current financial assets	6	38		
Lease	30	127	27	122
Total	103	610	91	554

(3) Deferred income tax assets or liabilities presented net after offset

	31 December 2025		31 December 2024	
Items	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	102	2,169		2,296
Deferred income tax liabilities	102	1		91

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

18. Deferred income tax assets and deferred income tax liabilities (Continued)

(4) Unrecognized deferred income tax assets

Items	31 December 2025	31 December 2024
Deductible temporary difference-provision for impairment	2,590	1,793
Deductible temporary difference-deductible losses	11,684	9,715
Total	14,274	11,508

(5) The deductible losses of unrecognized deferred income tax assets will expire in the following years

Year	31 December 2025	31 December 2024
2029	1,363	1,363
2030	772	
2033	2,055	2,055
2034	6,297	6,297
2035	1,197	
Total	11,684	9,715

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

19. Other non-current assets

Items	31 December 2025	31 December 2024
Prepayment for Construction Projects	256	911
Prepayment for Land		10
Total	256	921

20. Assets with restricted ownership or usage rights

	31 December 2025			
Items	Book Balance	Net Book Value	Type of restriction	Description of restrictions
Cash and cash equivalents	1	1	Bill deposit	Bill deposit
Cash and cash equivalents	8	8	Futures margin	Futures margin
Total	9	9		

21. Short-term loans

Items	31 December 2025	31 December 2024
Credit loans	8,070	90
Pledged loans		1,084
Total	8,070	1,174

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

22. Derivative financial liabilities

Items	31 December 2025	31 December 2024
Future contracts	1	1
Total	1	1

23. Notes payable

Items	31 December 2025	31 December 2024
Bank acceptance notes	19,114	17,746
Commercial acceptance notes	204	211
Total	19,318	17,957

Note: As of December 31, 2025, there are no matured but unpaid notes payable. The age of the accounts payable of the group at the end of the period mentioned above is within 1 year.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

24. Accounts payable

(1) Aging of accounts payable

Items	31 December 2025 Balance	31 December 2025 Percentage (%)	31 December 2024 Balance	31 December 2024 Percentage (%)
Within 1 year	**5,826**	**98.61**	8,200	99.02
1 to 2 years	**40**	**0.68**	30	0.36
2 to 3 years	**9**	**0.15**	10	0.12
Over 3 years	**33**	**0.56**	41	0.50
Total	**5,908**	**100.00**	8,281	100.00

Note: the above aging analysis is based on the invoice date.

(2) Significant account payable aging over 1 year

Creditors	Balance	Aging
Angang Construction Group Co., Ltd.	6	1 to 5 years, over 5 years
Total	6	

25. Contract liabilities

Items	31 December 2025	31 December 2024
Products selling	**4,578**	4,512
Others	**160**	45
Total	**4,738**	4,557

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

26. Staff remuneration payable

(1) Analysis of employee benefits payable

Items	31 December 2024	Increase	Decrease	31 December 2025
Short-term remuneration	65	3,632	3,608	89
After-service benefits defined contribution plans		438	438	
Termination benefits	32	99	108	23
Total	97	4,169	4,154	112

(2) Short-term compensation

Items	31 December 2024	Increase	Decrease	31 December 2025
1. Salaries, bonus and allowance		2,637	2,637	
2. Staff welfare		292	292	
3. Social insurance		218	218	
Including: Medical insurance		180	180	
Staff and workers' injury insurance		38	38	
Maternity insurance				
Others				
4. Housing fund		278	278	
5. Labor union fee and staff training fee	65	91	67	89
6. Short paid absences				
7. The short-term profit sharing plan				
8. Others		116	116	
Total	65	3,632	3,608	89

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

26. Staff remuneration payable (Continued)

(3) Defined Contribution Plans

Items	31 December 2024	Increase	Decrease	31 December 2025
1.Basic pension insurance		371	371	
2.Unemployment insurance		12	12	
3.Occupational pension		55	55	
Total		438	438	

27. Tax payable

Items	31 December 2025	31 December 2024
Land use tax	38	38
Stamp tax	20	21
Individual income tax	17	4
Property tax	16	16
VAT	15	35
Corporate income tax	15	5
Environmental protection tax	13	19
Resource tax	8	2
City maintenance and construction tax	2	2
Educational surcharges	1	1
Consumption tax	1	1
Total	146	144

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

28. Other payables

Items	31 December 2025	31 December 2024
Interests payable		
Dividends payable		1
Other payables	4,273	6,065
Total	4,273	6,066

28.1 Dividends payable

Items	31 December 2025	31 December 2024
Chaoyang Yitong Scrap Materials Purchase and Sale Co., Ltd.		1
Total		1

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

28. Other payables (Continued)

28.2 Other payables

(1) Classification of other payables by nature

Items	31 December 2025	31 December 2024
Construction payable	**2,640**	4,365
Retention Money	**828**	825
Margin	**343**	430
Administrative Fund	**11**	10
Restricted stock repurchases obligations		27
Others	**451**	408
Total	**4,273**	6,065

(2) Significant balances of other payables aging over 1 year

Creditors	Balance	Reason	Whether paid after 31 December 2025
Angang steel Group Engineering Technology Co., Ltd	1,097	Quality guarantee, Project payment	No
Total	1,097		

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

29. Non-current liabilities due within 1 year

Items	31 December 2025	31 December 2024
Long-term loans due within 1 year *(Note VI.31)*	546	398
Bonds payable due within 1 year *(Note VI.32)*		302
Lease liabilities due within 1 year *(Note VI.33)*	73	
Total	619	700

30. Other current liabilities

Items	31 December 2025	31 December 2024
Contract liabilities pending write-off tax	437	462
Total	437	462

31. Long-term loans

(1) Classification of long-term loans

Items	31 December 2025	31 December 2024
Credit loans	6,667	11,389
Subtotal	6,667	11,389
Less: long-term loans due within 1 year *(Note VI.29)*	546	398
Total	6,121	10,991

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

31. Long-term loans (Continued)

(2) Classification of long-term loans by the maturity date

Items	31 December 2025	31 December 2024
Within 1 year	**546**	398
1 year to 2 year (including 2 year)	**2,607**	5,385
2 year to 3 year (including 3 year)	**3,035**	5,547
3 year to 5 year (including 5 year)	**254**	
Over 5 year	**225**	59
Total	**6,667**	11,389

32. Bonds payable

(1) Bonds payable

Items	31 December 2025	31 December 2024
22 Angang stock GN001		302
Less: bonds payable due within 1 year *(Note VI.29)*		302
Total		

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

32. Bonds payable (Continued)

(2) Increase or decrease in bonds payable

Type of bonds	Par value	Issuance date	Bond duration	Issuance amount	31 December 2024
22 Angang stock GN001	300	September 28, 2022	3 years	300	302
Less: bonds payable due within 1 year *(Note VI.29)*					302
Total	300			300	

Type of bonds	Current issue	Accruing interest at face value	Amortization of discounts and premiums (positive increase, negative decrease)	Exchange conversion (positive increase, negative decrease)	Current repayment	**31 December 2025**
22 Angang stock GN001		7			309	
Less: bonds payable due within 1 yea(Note VI.29)		7			309	
Total						

Note: On September 28, 2022, our company issued the first phase of green medium-term notes for the year 2022. The principal of the medium-term notes issued this time was RMB300 million, issued at par, with a unit face value of RMB100 and a coupon rate of 2.85%. The term was 3 years, with annual interest payment and one-time principal repayment. The value date was September 28, 2022, and the principal repayment date was September 28, 2025.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

32. Bonds payable (Continued)

(3) Classification of bonds payable by the maturity date

Items	31 December 2025	31 December 2024
Within I year		302
1 year to 2 year (including 2 year)		
2 year to 3 year (including 3 year)		
3 year to 5 year (including 5 year)		
Total		302

33. Lease liability

Items	31 December 2025	31 December 2024
lease payments	114	130
Less: Unrecognized financing expenses	5	5
Lease liabilities due within 1 year	73	
Total	36	125

34. Long-term payables

Items	31 December 2025	31 December 2024
Long-term payables		
Special payables	321	367
Total	321	367

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

34. Long-term payables (Continued)

34.1 Special payables

Items	31 December 2024	Increase	Decrease	31 December 2025	Reason
Special funds	367	182	228	**321**	Special funds
Total	367	182	228	**321**	

35. Long-term employee benefits payable

Items	31 December 2025	31 December 2024
Termination benefits	**40**	50
Total	**40**	50

36. Deferred income

Items	31 December 2024	Increase	Decrease	31 December 2025	Reason
Government grants	844	268	188	**924**	Government grants
Total	844	268	188	**924**	

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

36. Deferred income (Continued)

Among them, the projects involved the government grants are as follows：

Items	31 December 2024	Increase	Belong to Non-business income	Belong to Other income	Other decrease	31 December 2025	Associated with the asset/income
The government grants related to environmental protection	272	99		45		326	Related to assets
The government grant related to scientific research	370	71		36		405	Related to assets/ income
Others	202	98	2	105		193	Related to assets/ income
Total	844	268	2	186		924	

37. Share capital

Items	31 December 2024		Increase/Decrease					31 December 2025	
	Balance	Proportion (%)	New shares issued	Bonus issue	Shares transferred from reserves	Others	Subtotal	Balance	Proportion (%)
Shares unrestricted on sale:									
1. Ordinary A shares	7,958	85						7,958	85
2. Foreign shares listed overseas	1,411	15						1,411	15
Restricted shares									
1. Ordinary A shares	14					(14)	(14)		
Total	9,383	100				(14)	(14)	9,369	100

Note: According to the resolution of the shareholders' meeting on December 30, 2024, the company repurchased and cancelled 14 million restricted shares.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

38. Capital reserve

Items	31 December 2024	Increase	Decrease	31 December 2025
Share premium	32,927		13	**32,914**
Other capital reserve	993	248		**1,241**
Total	33,920	248	13	**34,155**

Note 1: The company reduced capital premium by RMB13 million due to the repurchase and cancellation of part of the restricted shares.

Note 2: The Company recognized an increase of RMB245 million in capital reserve due to receiving state capital grants.

Note 3: The Company recognized an increase of RMB3 million in capital reserve under the equity method of accounting.

39. Treasury shares

Items	31 December 2024	Increase	Decrease	31 December 2025
Stock incentive plan *(Note XIV)*	27		27	
Total	27		27	

Note: The cancellation of restricted stocks through repurchase in this period resulted in a decrease of 27 million in treasury stocks.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

40. Other comprehensive income

Items	31 December 2024	The amount of this period: Amount for the period before tax	Minus: transform into profit or loss from other comprehensive income	Minus: income tax expenses	The After-tax amount attributed to the parent company	The after-tax amount attributed to minority shareholders	31 December 2025
1. Other comprehensive income will not reclassified into the gains and losses	215	(16)		(2)	(14)		201
Profit or loss arising from fair value changes of other investments in equity instruments	214	(15)		(2)	(13)		201
The shares of the other comprehensive income which cannot be reclassified in profit or loss of the invested company in equity method	1	(1)			(1)		
Total	215	(16)		(2)	(14)		201

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

41. Special reserve

Items	31 December 2024	Increase	Decrease	31 December 2025
Safety production Expenses	52	189	154	**87**
Total	52	189	154	**87**

42. Surplus reserve

Items	31 December 2024	Increase	Decrease	31 December 2025
Statutory surplus reserve	4,457			**4,457**
Total	4,457			**4,457**

43. Retained earnings

Items	This period
Balance as of 31 Dec. 2024	**(321)**
Changes in accounting policies	
Business combination under common control	
Balance as of 1 Jan. 2025	**(321)**
Increase in 2025	**(4,068)**
Including: Net profit transferred this period	**(4,068)**
Other adjustment factors	
Decrease in 2025	
Including: Extraction of surplus reserve this period	
Extraction of general risk provisions in this period	
Distribution of cash dividend this period	
Conversed capital	
Other decreases	
Balance as of 31 December. 2025	**(4,389)**

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

44. Operating revenue and operating cost

(1) Classified by production

	This period		Last period	
Items	**Income**	**Cost**	Income	Cost
Prime operating	**95,684**	**96,905**	104,704	108,451
Other operating *(Note 2)*	**368**	**350**	397	374
Total	**96,052**	**97,255**	105,101	108,825

Note 1: The Group is classified into an operating segment based on the type of business: production and sale of steel products.

Note 2: Other business income and other business costs of The Group are mainly generated from the sales of materials and scrap materials.

(2) The net profit before and after deduction of non-recurring gains and losses audited is negative.

Items	This period	Specific deduction situation	Last period	Specific deduction situation
Operating revenue	**96,052**		105,101	
The total amount of deductions for operating revenue	**368**	Generated from materials sales, waste materials sales, etc.	1,626	Generated from materials sales, waste materials sales, Operating revenue of subsidiaries from the beginning of the current period to the date of the merger arising from business combination under the common control, etc.
The proportion of total deductions for operating revenue to operating revenue	**0.38%**		1.55%	

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

44. Operating revenue and operating cost (Continued)

(2) The net profit before and after deduction of non-recurring gains and losses audited is negative. (Continued)

Items	This period	Specific deduction situation	Last period	Specific deduction situation
1. Unrelated Revenue to the main business	368		1,626	
Other revenue outside normal operations	368	Generated from materials sales, waste materials sales, etc.	397	Generated from materials sales, waste materials sales, etc.
Operating revenue of subsidiaries from the beginning of the current period to the date of the merger arising from business combination under the common control			1,229	Anshan Scrap Resources (Anshan) Co., Ltd.
2. revenue without commercial substance				
3. Other revenue unrelated to the main business or without commercial substance				
The amount of operating revenue after deduction	95,684		103,475	

(3) Classified by region

Items	This period	Last period
Foreign transaction income from the within borders	88,829	97,804
Foreign exchange income from outside borders	7,223	7,297
Total	96,052	105,101

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

44. Operating revenue and operating cost (Continued)

(4) Classified by the time when the revenue is confirmed

Items	This period	Last period
Confirmed at a certain point	**96,052**	105,101
Total	**96,052**	105,101

45. Taxes and surcharges

Items	**This period**	Last period
Land use tax	**438**	440
Property tax	**186**	174
Environmental protection tax	**131**	66
Stamp tax	**94**	103
City maintenance and construction tax	**36**	25
Resources tax	**32**	4
Educational surcharge and local educational surcharge	**26**	18
Consumption tax	**9**	18
Others	**2**	2
Total	**954**	850

Note: Please refer to Note V "Taxation" for details of various taxes and surcharges payment standards

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

46. Selling expenses

Items	This period	Last period
Employee benefits	**191**	227
Warehouse storage expense	**83**	88
Handling charge	**42**	40
Agency fee for commissioned sales	**33**	32
Packing expense	**31**	26
Sales and service expense	**19**	23
Others	**135**	124
Total	**534**	560

47. Administrative expenses

Items	This period	Last period
Employee benefits	**409**	592
Amortization of intangible asset	**231**	218
Depreciation	**104**	84
Information system maintenance expense	**44**	41
Environmental protection fee	**31**	56
Cost of repairs	**24**	20
Agency fee	**23**	28
Including: remuneration to auditors of annual report	**5**	5
Fee for the exploitation of patent	**11**	11
Others	**219**	289
Total	**1,096**	1,339

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

48. Research and development expenses

Items	This period	Last period
Raw material consumption fee	127	110
Labor cost	156	174
Depreciation	27	24
Outsourcing expenses	131	145
Travel expenses	7	8
Others	30	7
Total	478	468

49. Finance expenses

Items	This period	Last period
Interest expense	337	310
Less: Interest income	46	56
Less: Capitalized interest expense	5	25
Exchange gain or loss		
Less: Capitalized exchange gain or loss		
Others	19	37
Total	305	266

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

50. Other incomes

Items	This period	Last period	Recorded into Extraordinary gains and losses
The government grants related to environment protection	**45**	41	45
The government grants related to scientific research	**36**	11	36
Other government grants	**105**	57	105
VAT Additional Deduction Policy	**223**	27	
VAT Collected and Refunded Immediately	**45**	80	
Others	**1**	1	
Total	**455**	217	186

51. Investment income

Items	This period	Last period
Long-term equity income under the equity method	**575**	563
Investment income of other investments in equity instruments invested in the holding period	**18**	2
Others	**(90)**	(9)
Total	**503**	556

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

52. Gain from fair-value changes

Items	This period	Last period
Changes in fair value of financial assets held for trading	**5**	(2)
Changes in fair value of derivative financial assets	**31**	90
Changes in fair value of other non-current financial assets	**38**	(3)
Changes in fair value of derivative financial liabilities	**(21)**	(14)
Total	**53**	71

53. Credit impairment losses

Items	This period	Last period
Accounts receivable	**(1)**	(4)
Other receivables	**(5)**	2
Total	**(6)**	(2)

Note: The positive numbers refer to gains and negative numbers refer to losses.

54. Impairment on assets

Items	This period	Last period
inventory falling price loss	**(348)**	(680)
Total	**(348)**	(680)

Note: The positive numbers refer to gains and negative numbers refer to losses.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

55. Gains on disposal of assets

Items	This period	Last period
Fixed assets disposal Income	16	10
Intangible assets disposal income		82
Total	16	92

56. Non-operating income

Items	This period	Last period	Recorded into extraordinary gains and losses
Gains from scrap of non-current assets	6	15	6
Liquidated damages	10	15	10
Government grant	2	4	2
Payable that can not be paid	13	3	13
Others	13	1	13
Total	44	38	44

Government grant recorded into profit/loss for current period:

Items	This period	Last period	Assets/Income related	Whether subsidies affect the profit and loss of the period
Shanghai Baoshan District Enterprise Support Fund	2	4	Income related	No
Total	2	4		

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

57. Non-operating expenses

Items	This period	Last period	Recorded into extraordinary gains and losses
The loss on scrap of non-current assets	21	100	21
Compensation, liquidated damages and penalty expenses	1	3	1
External donation	17	17	17
Others	2		2
Total	41	120	41

58. Income tax expenses

(1) Income tax expenses

Items	This period	Last period
Income tax during this period	59	78
Changes on deferred income tax expenses	40	(19)
Total	99	59

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

58. Income tax expenses

(2) The reconciliation between accounting profit and income tax expenses

Items	This period
Total profit	**(3,894)**
Income tax expenses calculated at statutory/applicable tax rates	**(584)**
Effect of different tax rates applied by subsidiary companies	**(70)**
Effect of current unrecognized deductible temporary difference or deductible loss arising from deferred tax income assets	**753**
Income tax expenses	**99**

59. The other comprehensive income

Please refer to Note VI.40

60. Items on statements of cash flow

(1) Other cash receipts related to operating activities

Items	This period	Last period
Deposit income	**130**	123
Government grants	**421**	485
Others	**154**	55
Total	**705**	663

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

60. Items on statements of cash flow (Continued)

(2) Other cash payments relating to operating activities

Items	This period	Last period
Air pollution fee	353	177
Environmental monitoring fee	220	191
Renewable Energy development Fund	164	140
Research and development expenses	137	143
Collecting and paying retirement wages	69	71
Travel expenses	37	39
Miscellaneous expenses for procurement and sales business	27	82
Hazardous materials disposal fee	22	25
Donation expenditure	17	17
Rental fee	17	15
Party affairs activity expenses	10	6
Insurance fee	7	33
Other operating expenses	654	434
Total	1,734	1,373

(3) Other cash receipts relating to investing activities

Items	This period	Last period
Time Deposit	2,879	143
Interest revenue	46	54
Future contract income	27	92
Total	2,952	289

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

60. Items on statements of cash flow (Continued)

(4) Other cash payments relating to investing activities

Items	This period	Last period
Time Deposit	**2,551**	1,070
Futures contract losses	**21**	20
Futures margin	**8**	
Total	**2,580**	1,090

(5) Other cash receipts relating to financing activities

Items	This period	Last period
State Capital Appropriation	**17**	80
Total	**17**	80

(6) Other cash payments relating to financing activities

Items	This period	Last period
Pay rental fees	**71**	73
Financing business fees	**18**	39
Payment for share repurchase	**26**	1
Total	**115**	113

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

61. Supplement of cash flow statement

(1) Reconciliation of net profit to cash flows from operating activities

Items	This period	Last period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	(3,993)	(7,094)
Add: Provision for impairment on asset	348	680
Provision for impairment on credit	6	2
Depreciation of fixed assets	3,830	3,619
Depreciation of right-of-use asset	80	62
Amortization of intangible assets	451	423
Loss on disposal of fixed assets, Intangible assets and other non-current assets ("-"for gains)	(16)	(92)
Loss on scrap of fixed assets ("-"for gains)	15	85
Loss on the change of fair value ("-"for gains)	(53)	(71)
Financial expenses ("-"for gains)	275	224
Investment loss ("-"for gains)	(503)	(556)
Decrease in deferred tax assets ("-"for increase)	31	(42)
Increase in deferred tax liabilities ("-"for decrease)	8	23
Decrease in inventories ("-"for increase)	2,417	1,143
Decrease in operating receivables ("-"for increase)	(493)	(666)
Increase in operating payable ("-"for decrease)	(672)	1,457
Others	57	16
Net cash flow from operating activities	1,788	(787)
2. Change in cash and cash equivalent		
Cash at the end of the period	3,904	4,544
Less: cash at the beginning of the period	4,544	3,319
Add: cash equivalent at the end of the period		
Less: cash equivalent at the beginning of the period		
Net increase in cash and cash equivalents	(640)	1,225

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VI. Notes to consolidated financial statements (Continued)

61. Supplement of cash flow statement (Continued)

(2) Composition of cash and cash equivalent

Items	31 December 2025	31 December 2024
1. Cash at bank and on hands	**3,904**	4,544
Of which: Cash		
Bank deposits available	**3,663**	4,250
Other cash and cash equivalents available	**241**	294
2. Cash equivalents		
Of which: Bonds due within 3 months		
3. Closing balance of cash and cash equivalents	**3,904**	4,544

VII. Research and development expenditure

1. Research and development expenditure

Items	This period	Last period
Raw material consumption fee	**127**	110
Labor cost	**156**	174
Depreciation	**27**	24
Outsourcing expenses	**131**	145
Travel expenses	**7**	8
Others	**30**	7
Total	**478**	468
Including: Expensing	**478**	468
Capitalization		

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

VIII. Changes in consolidation scope

During the year, the company has established a new wholly-owned subsidiary, Anshan Youcai Trading Co., Ltd. (hereinafter referred to as "**Anshan Youcai**"). Green Gold Industry has established a wholly-owned subsidiary: Green Gold (Lingyuan) Renewable Resources Co., Ltd. (hereinafter referred to as "Green Gold Industry (Lingyuan)").

IX. Interests in other entities

1. The constitution of the enterprise group

(1) The constitution of the enterprise group

Full Name of Subsidiaries	Principal place of business	Registration place	Registration capital	Nature of the business	Holding(%) Direct	Indirect	Acquisition	Nature of Subsidiaries
Angang Steel Distribution (Wuhan) Co., Ltd. ("Angang Wuhan")	Wuhan	Wuhan	237	Steel processing and distribution	100		Establishment	Wholly-owned
Angang Steel Distribution (Hefei) Co., Ltd. ("Angang Hefei")	Hefei	Hefei	281	Steel processing and distribution	100		Establishment	Wholly-owned
Shenyang Angang steel International Trade Co., Ltd. ("Shenyang International Trade")	Shenyang	Shenyang	300	Sales of metal materials and products, building materials, etc	100		Combination under common control	Wholly-owned
Shanghai Anshan Iron and Steel International Trade Co., Ltd. ("Shanghai Trade")	Shanghai	Shanghai	300	Wholesale and retail purchasing services	100		Combination under Common control	Wholly-owned
Tianjin Anshan Iron and Steel International Trade Co., Ltd. ("Tianjin Trade")	Tianjin	Tianjin	200	Purchase and sale of metal and other materials	100		Combination under common control	Wholly-owned
Guangzhou Anshan Iron and Steel International Trade Co., Ltd. ("Guangzhou Trade")	Guangzhou	Guangzhou	300	Wholesale of steel, sales of steel, import and export of goods	100		Combination under common control	Wholly-owned
Shenyang Anshan Iron and Steel Processing and Distribution Co., Ltd. ("Angang Shenyang")	Shenyang	Shenyang	187	Steel processing and distribution	100		Combination under common control	Wholly-owned
Anshan Iron and Steel Processing and Distribution (Dalian) Co., Ltd. ("Angang Dalian")	Dalian	Dalian	266	Steel processing and distribution	100		Establishment	Wholly-owned
Ningbo Anshan Iron and Steel International Trade Co., Ltd. ("Ningbo Trade")	Ningbo	Ningbo	100	Steel trade	100		Establishment	Wholly-owned
Yantai Anshan Iron and Steel International Trade Co., Ltd. ("Yantai Trade")	Yantai	Yantai	200	Steel trade	100		Establishment	Wholly-owned
Angang Steel Distribution (Zhengzhou) Co., Ltd. ("Angang Zhengzhou")	Zhengzhou	Zhengzhou	229	Steel processing and distribution	100		Establishment	Wholly-owned

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. Interests in other entities (Continued)

1. The constitution of the enterprise group (Continued)

(1) The constitution of the enterprise group (Continued)

Full Name of Subsidiaries	Principal place of business	Registration place	Registration capital	Nature of the business	Holding(%) Direct	Holding(%) Indirect	Acquisition	Nature of Subsidiaries
Anshan Iron and Steel Processing and Distribution Guangzhou) Co., Ltd. ("Angang Guangzhou")	Guangzhou	Guangzhou	120	Steel processing and distribution	75		Establishment	Joint venture
Anshan Iron and Steel Processing and Distribution (Tianjin) Co., Ltd. ("Angang Tianjin")	Tianjin	Tianjin	43	Steel processing and distribution	51		Combination under common control	Joint venture
Angang Kobelco	Anshan	Anshan	700	Steel calendering and sales	51		Establishment	Sino-Japanese joint venture
ASPD-CC	Changchun	Changchun	427	Research and development of sales and logistics distribution technology of self-produced products	100		Combination not under common control	Wholly-owned
Jinsuoju	Anshan	Anshan	60	Sales of metal ropes and production	71.62		Establishment	Joint venture
Chemical Technology	Anshan	Anshan	2,500	Coking gas purification, coal chemical products processing and production	100		Establishment	Wholly-owned
Sichuan Lüxinding Carbon industry Co., Ltd.	Panzhihua	Panzhihua	180	Coking and chemical products processing and production		60	Establishment	Joint venture
Angang Energy and Technology Co., Ltd. Co., Ltd. ("Energy and Technology")	Anshan	Anshan	201	Dissolved acetylene manufacturing; Distribution of compressed and liquefied gases	60		Combination under common control	Joint venture
Changchun FAW Angang Steel Processing and Distribution Co., Ltd. ("FAW Angang")	Changchun	Changchun	90	Steel processing and distribution	60		Combination not under common control	Joint venture
Chaoyang Iron and Steel	Chaoyang	Chaoyang	8,000	Steel calendering and sales	100		Combination under common control	Wholly-owned
Angang (Hangzhou) Automobile Material Technology Co., Ltd. ("Hangzhou Auto Material")	Hangzhou	Hangzhou	118	Steel, steel coil processing and sales, distribution	51	49	Establishment	Wholly-owned
Xinneng Air Products (Liaoning) Co., Ltd. ("Xinneng Air")	Anshan	Anshan	100	Sales of gas and liquid separation and purification equipment		51	Establishment	Joint venture
Beijing Angang Trade Co., Ltd. ("Beijing International Trade")	Beijing	Beijing	198	Sales of metal materials and products, building materials, etc	100		Establishment	Wholly-owned
Delin Industrial Product Co., Ltd. ("Delin Industrial Products")	Anshan	Anshan	180	Purchasing and consulting services for industrial products such as equipment and materials; E-commerce transactions of industrial products and supply chain financial services	91		Establishment	Joint venture

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. Interests in other entities (Continued)

1. The constitution of the enterprise group (Continued)

(1) The constitution of the enterprise group (Continued)

Full Name of Subsidiaries	Principal place of business	Registration place	Registration capital	Nature of the business	Holding(%) Direct	Holding(%) Indirect	Acquisition	Nature of Subsidiaries
Ansteel (Liaoning) Materials Technology Co., Ltd("Material Technology")	Anshan	Anshan	20	Sales of metal materials and production	100		Establishment	Wholly-owned
Green Gold Industry	Anshan	Anshan	469	Comprehensive utilization of waste resources	34.4804		Establishment	Joint venture
Ansteel Scrap Resources (Anshan) Co., Ltd. (Scrap Resources)	Anshan	Anshan	196	Comprehensive utilization of waste resources		77.5589	Combination under common control	Joint venture
Green Gold (Yingkou Bayuquan) Renewable Resources Co., Ltd. (Green Gold Industry(Bayuquan))	Yingkou	Yingkou	20	Comprehensive utilization of waste resources		100	Establishment	Wholly-owned
Green Gold (Chaoyang) Renewable Resources Co., Ltd. (Green Gold Industry(Chaoyang))	Chaoyang	Chaoyang	20	Comprehensive utilization of waste resources		100	Establishment	Wholly-owned
Green Gold Industry (Lingyuan)	Lingyuan	Lingyuan	50	Comprehensive utilization of waste resources		100	Establishment	Wholly-owned
Anshan Youcai	Anshan	Anshan	10	Steel trade	100		Establishment	Wholly-owned

Note: The above-mentioned subsidiaries are all registered and established in accordance with Chinese laws, and the legal entity category is limited liability company.

(2) As of December 31, 2025 none of our subsidiaries issued share capital or debt securities.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. Interests in other entities (Continued)

2. Interests in joint ventures or associates

(1) The joint ventures or associates

The name of the joint venture or associated enterprise	Principal place of business	Registration place	Nature of the business	Direct shareholding ratio (%)	Accounting Treatment
ANSC-TKS	Dalian	Dalian	Galvanized and alloyed steel Board production and sales	50	Equity method
ANSC – Dachuan	Dalian	Dalian	Steel processing and selling	50	Equity method
Guangzhou Automobile Steel	Guangzhou	Guangzhou	Manufacturing Steel products	50	Equity method
Anji Yingkou	Yingkou	Yingkou	Hazardous chemicals	50	Equity method
Angang Finance	Anshan	Anshan	Deposits and loans and financing	20	Equity method
Iron Oxide Powder Company	Anshan	Anshan	Iron powder processing	35.29	Equity method
Nansha Logistical	Guangzhou	Guangzhou	Freight Forwarding, steel packaging	49.8	Equity method
AISSG	Hangzhou	Hangzhou	Trade, warehousing services	49	Equity method
GAC Baoshang	Guangzhou	Guangzhou	Steel Processing and Distribution	30	Equity method
Meizhou Motor Company	Meizhou	Meizhou	Automobile parts	25	Equity method
Zhong'an Water	Chaoyang	Chaoyang	Water production and supply	45	Equity method
Green Gold Benxi	Benxi	Benxi	Comprehensive utilization of waste resources	49	Equity method
Tianwu No.19	Tianjin	Tianjin	management consulting	25.4822	Equity method

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. Interests in other entities (Continued)

2. Interests in joint ventures or associates (Continued)

(2) The accounting information of the important joint ventures

Items	ANSC-TKS 31 December 2025/ This period	ANSC-TKS 31 December 2024/ Last period
Current assets	**2,792**	2,769
Including: Cash and cash equivalents	**1,786**	1,756
Non- Current assets	**953**	925
Total Assets	**3,745**	3,694
Current liabilities	**1,922**	1,783
Non- Current liabilities		1
Total Liabilities	**1,922**	1,784
Minority interests		
Subtotal of Shareholders' equity	**1,823**	1,910
attributable to shareholders of parent Company	**912**	955
Adjusting events		
– goodwill		
– unrealized profit resulting from trade within the group	**(44)**	(49)
– others		
The book value of equity investments in joint ventures	**868**	906
Fair value of equity investment in joint ventures with publicly quoted price		
Operating revenue	**5,252**	5,514
Finance costs	**(20)**	(26)
Income tax expenses	**131**	127
Net profit	**726**	816
Net profit from discontinued operations		
Other comprehensive income		
The total of comprehensive income	**726**	816
Dividends received from joint ventures this period	**407**	217

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. Interests in other entities (Continued)

2. Interests in joint ventures or associates (Continued)

(3) The accounting information of the important association

Items	Angang Finance 31 December 2025/ This period	Angang Finance 31 December 2024/ Last period
Current assets	**13,831**	21,542
Including: Cash and cash equivalents	**13,661**	20,616
Non- Current assets	**21,463**	21,831
Total Assets	**35,294**	43,373
Current liabilities	**26,596**	34,986
Non- Current liabilities	**15**	18
Total Liabilities	**26,611**	35,004
Minority interests		
Subtotal of Shareholders' equity	**8,683**	8,369
attributable to shareholders of parent Company	**1,737**	1,674
Adjusting events		
– goodwill		
– unrealized profit resulting from trade within the group		
– others		
The book value of equity investments in joint ventures	**1,737**	1,674
Fair value of equity investment in joint ventures with publicly quoted price		
Operating revenue	**833**	971
Finance costs		
Income tax expenses	**134**	140
Net profit	**419**	441
Net profit from discontinued operations		
Other comprehensive income	**(6)**	7
The total of comprehensive income	**413**	448
Dividends received from joint ventures this period	**20**	30

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

IX. Interests in other entities (Continued)

2. Interests in joint ventures or associates (Continued)

(4) The accounting information of the unimportant joint ventures and associations

Items	31 December 2025/ This period	31 December 2024/ Last period
Associations:		
The book value of equity investments	1,170	888
The followings are calculated by shares		
–Net profit	111	54
–Other comprehensive income		
–The total of comprehensive income	111	54
Joint ventures:		
The book value of equity investments	436	372
The followings are calculated by shares		
–Net profit	17	13
–Other comprehensive income		
–The total of comprehensive income	17	13

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

X. Government grants

1. The basic situation of government grants

(1) Government grants included in the profit or loss

Items	The basic situation of government grants identified at the beginning of the period Amounts	Items	Government grants included in the profit or loss
The government grants related to environmental protection	99	Deferred income/ other income	45
The government grants related to scientific research	71	Deferred income/ other income	36
Others	96	Deferred income/ other income	105
Others	2	Non-operating income	2
VAT refund upon collection	45	other income	45
Total	313		233

(2) Debt projects involved the government grants

Items	31 December 2024	Increase	Belong to Non-business income	Belong to other income	Offset cost expenses	31 December 2025	Related to assets/ income
Deferred income	844	268	2	186		924	Related to assets/ income

2. Return of government grants

There is no return of government grants in the current period.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XI. Risk associated with financial instruments

1. Market risk

(1) Exchange risk

Foreign exchange risk refers to the risk of losses arising from changes in exchange rates. The foreign exchange risk borne by the Group is mainly related to the US dollar and Hong Kong dollar. As of December 31, 2025, except for the assets or liabilities mentioned in the table below which are in US dollars and Hong Kong dollars, the assets and liabilities of the Group are all in RMB balance.

Unit: Yuan

Items	**31 December 2025**	31 December 2024
Bank deposits (USD)	**100,406.50**	100,355.66
Bank deposits (HKD)	**1,884.58**	1,884.38

In terms of the major foreign currency transactions such as exporting sales of products, importing and procurement of raw materials for production and engineering equipment, the Group conducts imports and exports agency transactions through trading with Angang Group International Economic and Trade Co., Ltd ("**Angang International Trade**"). The foreign exchange risk is mainly reflected in the impact of exchange rate changes on sales revenue and purchase costs during agency settlement.

A. The foreign exchange risk exposure of various foreign currency asset liability items listed in the local currency by the Group as of December 31, 2025 is set out in Note VI.1.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XI. Risk associated with financial instruments (Continued)

1. Market risk (Continued)

(1) Exchange risk (Continued)

B. The Group's main foreign exchange rates apply as follows:

	Average Exchange Rate		Middle Exchange Rate on the Reporting Date	
Items	**This period**	Last period	**This period**	Last period
U. S. dollar	**7.1440**	7.1203	**7.0288**	7.1884
H. K. dollar	**0.9164**	0.9126	**0.9032**	0.9260

C. Sensitivity analysis

The increase of one percentage point in the exchange rate between the US dollar and Hong Kong dollar to the Chinese yuan on 31 December 2025, will result in an increase (decrease) of RMB0 million in the Group's shareholders' equity and net profit.

As of December 31, 2025, assuming other variables remain unchanged, a decrease of one percentage point in the exchange rate between the US dollar and Hong Kong dollar against the Chinese yuan will result in changes in shareholder equity and profit and loss, which are the same as the amounts listed in the table above but in the opposite direction.

The above sensitivity analysis is based on the assumption that there is a change in exchange rate on the balance sheet date, and this change applies to all derivative and non derivative financial instruments of the group. The change of one percentage point is based on the Group's reasonable expectation of exchange rate changes from the balance sheet date to the next balance sheet date. The previous analysis was also based on this assumption.

XI. Risk associated with financial instruments (Continued)

1. Market risk (Continued)

(2) Interest rate risk

The interest bearing financial instruments held by the Group as of December 31, 2025 are listed in Notes VI 1, 21, 29, 31, and 32. (Cash and cash equivalents, short-term loans, non current liabilities due within one year, long-term loans, bonds payable)

Sensitivity analysis:

The principle of managing interest rate risk for the Group is to reduce the impact of short-term fluctuations on the Group's profits. However, in the long run, permanent changes in interest rates will have an impact on profits.

As of December 31, 2025, assuming other variables remain unchanged, an increase of one percentage point in the interest rates of bank deposits, short-term loans, non current liabilities due within one year, short-term financing bonds, long-term loans, and bonds payable will result in a decrease of RMB97 million in the net profit and shareholder's equity of the group (December 31, 2024: RMB75 million).

The above sensitivity analysis is based on the assumption that there is a change in interest rates on the balance sheet date, and this change applies to all derivative and non derivative financial instruments of the group. The change of one percentage point is based on the reasonable expectation of the Group's interest rate changes from the balance sheet date to the next balance sheet date. The previous analysis was also based on this assumption.

2. Credit risk

Credit risk refers to the risk that one party to a financial instrument cannot fulfill its obligations, resulting in financial losses for the other party. The credit risk of the group mainly comes from accounts receivable. The management will continuously check the exposure of these credit risks.

XI. Risk associated with financial instruments (Continued)

2. Credit risk (Continued)

For accounts receivable, the group has formulated credit policies based on actual situations, and conducted credit assessments on customers to determine the credit sales limit. Our group requires most customers to prepay the full amount of the goods in cash or bills before shipping them. The accounts receivable related to most credit customers expire within 1-4 months from the date of issuance of the invoice. Debtors who are overdue for more than a month will be required to settle all outstanding balances before obtaining further credit limits. In general, the Group does not require customers to provide collateral.

The vast majority of our clients have had years of business dealings with our group and rarely experience credit losses. To monitor the credit risk of the Group, the Group analyzes its customer information based on factors such as aging and maturity.

On the balance sheet date, due to the fact that the accounts receivable of the top five customers of the group accounted for 62% of the total accounts receivable and other receivables of the group (at the beginning of the period: 53%), the group experienced a certain degree of concentration of credit risk.

The maximum credit risk exposure that the group is exposed to is the carrying amount of each financial asset on the balance sheet. The Group has not provided any other guarantees that may expose the Group to credit risk.

3. Liquidity risk

The group is responsible for its own cash management work, including short-term investments in cash surplus and borrowing loans to meet expected cash needs. The policy of the Group is to regularly monitor short-term and long-term liquidity needs, as well as compliance with loan agreements, to ensure the maintenance of sufficient cash reserves and marketable securities available for immediate realization, while obtaining commitments from major financial institutions to provide sufficient backup funds to meet short-term and longer-term liquidity needs.

The analysis of the repayment period of the Group's long-term debts is set out in Notes VI, 31, and 32 (long-term loans, bonds payable).

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XI. Risk associated with financial instruments (Continued)

3. Liquidity risk (Continued)

The group's various financial liabilities are listed as follows based on the undiscounted contractual cash flow based on the maturity date:

Items	31 December 2025					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total undiscounted contract amounts	Book value
Short-term loans	8,070				8,070	8,070
Notes payable	19,318				19,318	19,318
Accounts payable	5,908				5,908	5,908
Other payable	4,273				4,273	4,273
Non-current liabilities due within 1 year	619				619	619
Long-term loans		2,607	3,289	225	6,121	6,121
Interest	230	121	91	15	457	
Lease liability		16	21	2	39	39

Items	31 December 2024					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total undiscounted contract amounts	Book value
Short-term loans	1,174				1,174	1,174
Notes payable	17,957				17,957	17,957
Accounts payable	8,281				8,281	8,281
Other payable	6,066				6,066	6,066
Non-current liabilities due within 1 year	700				700	700
Long-term loans		5,385	5,547	59	10,991	10,991
Interest	288	213	99	2	602	
Lease liability	65	65			130	130

XI. Risk associated with financial instruments (Continued)

4. Hedging

(1) The Company carries out hedging business for risk management

Items	Corresponding risk management strategies and objectives	Qualitative and quantitative information on hedged risk	The economic relationship between the hedged item and the related hedging instrument	Expected achievement of risk management objectives	The impact of hedging activities on risk exposure
Commodity price risk	The raw materials required for the production of the Company include iron ore, thermal coal, coking coal, coke, nonferrous metals, alloys, etc., and the finished products produced by the Company include hot-rolled coils, etc. The prices of these raw materials and finished products fluctuate significantly, making the Company exposed to the risk of commodity price changes. In order to reduce the impact of large fluctuations in commodity prices on the company's operations, the company chooses to use financial instruments (commodity futures) to generate reverse risk exposure for risk management, so as to achieve the purpose of preserving value, on the premise that funds can be effectively supported and the scale can be carefully controlled.	Fluctuations in the prices of raw materials and finished products will impact the stability of the Company's operations.	There is an economic relationship between the hedged item and the hedged item, which causes the value of the hedged item and the hedged item to change in the opposite direction due to the same hedged risk.	Anticipatory risk management objectives can be achieved	By engaging in hedging activities, the Company can fully utilize the hedging functions of the futures market to mitigate the risks associated with fluctuations in the prices of raw materials and finished products.

XI. Risk associated with financial instruments (Continued)

4. Hedging (Continued)

(2) The Company engages in hedging activities for risk management purposes with the expectation of achieving its risk management objectives; however, hedge accounting is not applied.

The Company's hedging activities do not satisfy the criteria for applying hedge accounting as outlined in Article 15 of the Accounting Standards for Business Enterprises No. 24 – Hedge Accounting. Consequently, hedge accounting has not been applied. For the current period, the net profit resulting from the cumulative value changes of the hedging instruments and the hedged items amounted to RMB16 million.

5. Transfer of financial assets

	Transferred financial assets		
Transfer method of financial assets	**Nature**	**Amount**	**Derecognition circumstances**
Discounting (unmatured)	**Bank acceptance notes**	**10,885**	**Yes**
Endorsement (unmatured)	**Bank acceptance notes**	**6,176**	**Yes**
Total		**17,061**	

The Group believes that substantially all the risks and rewards of the financial assets with an amount of RMB17,061 million have been transferred, and accordingly derecognition is recognized.

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XII. Disclosure of the fair value

1. The amount of asset and liability measured at fair value and the measurement hierarchies

The fair value measurement is classified into three hierarchies, listed as follows:

Level 1: The quoted price (unadjusted) in dynamic market for identical asset or liability.

Level 2: In puts other than quoted price included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: The unobservable inputs for asset or liability (unobservable inputs).

	The Fair Value on 31 December 2025			
Items	The Fair Value Measured at First Level	The Fair Value Measured at Second Level	The Fair Value Measured at Third Level	Total
Continues fair value measurement:				
Held-for-trading financial assets	20			20
Derivative financial assets	4			4
Receivables financing		1,480		1,480
Other investments in equity instruments			675	675
Other non-current financial assets	74		68	142
Derivative financial liabilities	1			1

	The Fair Value on 31 December 2024			
Items	The Fair Value Measured at First Level	The Fair Value Measured at Second Level	The Fair Value Measured at Third Level	Total
Continues fair value measurement:				
Held-for-trading financial assets	15			15
Derivative financial assets				
Receivables financing		918		918
Other investments in equity instruments			690	690
Other non-current financial assets	36		68	104
Derivative financial liabilities	1			1

XII. Disclosure of the fair value (Continued)

2. The qualitative and quantitative information of the valuation techniques and significant parameters used for the continuous and non-continuous third-level fair value measurement projects.

The determination of fair value relies on the third tier input value. For other equity instrument investments, the net assets at the end of the investee's year serve as a crucial reference point for assessing its fair value. If the net assets at the end of the year can essentially mirror its fair value, these net assets should be utilized as the foundation for evaluating its fair value.

3. Adjustment information between the book value of the continuous third-level fair value measurement project

	Other investments in equity instruments	Other non-current financial assets
Balance at 1 January 2025	690	68
Additional investment		
Changes in fair value (included in other comprehensive income)	(15)	
Changes in fair value (included in current profit and loss)		
Balance at 31 December 2025	675	68

XIII. Related parties and related party transactions

1. Information on the parent company

Group Name	Registration Place	The Nature of Business	Registered Capital	The Group's Shareholding (%)	Proportion of Voting-Right (%)
Anshan Iron And Steel Group Co. Ltd ("Ansteel Group")	Tie Xi District Anshan Liaoning Province	Production and sale of steel and metal products, steel filament Tubes, and etc.	26,000	53.97	53.97

Note: Angang Group Co., Ltd. is the ultimate controlling party, incorporated in the People's Republic of China.

2. Information on the subsidiaries of the parent company

Please refer to Note IX.1 The constitution of the enterprise group.

3. Information on the joint ventures and associates of the group

Please refer to Note IX.2 Interests in joint ventures or associates.

4. Related parties without control relationship

Name of Enterprise	Relation with the Parent Company
Guangzhou Automobile Steel	Joint venture
ANSC-TKS	Joint venture
Anji Yingkou	Joint venture
ANSC – Dachuan	Joint venture
AISSG	Associate
Nansha Logistical	Associate
Zhong'an Water	Associate
GAC Baoshang	Associate
Meizhou Motor Company	Associate

XIII. Related parties and related party transactions (Continued)

4. Related parties without control relationship (Continued)

Name of Enterprise	Relation with the Parent Company
Iron Oxide Powder Company	Associate
Angang Finance	Associate, Fellow subsidiary
Shanxi Wuchan International Energy Co., Ltd.	Associate of Angang Group
China Ordins Group Co., Ltd.	Associate of Angang Group
Falan Packing	Fellow subsidiary
Angang Steel Casting Co., Ltd.	Fellow subsidiary
Angang Group Mining Co., Ltd.	Fellow subsidiary
Angang Steel Rope Co., Ltd.	Fellow subsidiary
Anshan Iron and Steel Group Refractory Materials Co., Ltd.	Fellow subsidiary
Ansteel Cold Rolled Steel Plate (Putian) Co., Ltd.	Fellow subsidiary
Ansteel Group Real Estate Property Co., Ltd.	Fellow subsidiary
Anshan Iron and Steel Labor Research Institute Technology Co., Ltd.	Fellow subsidiary
Delin Land Port Supply Chain Service Co., Ltd.	Fellow subsidiary
Anshan Iron and Steel Metallurgical Furnace Materials Technology Co., Ltd.	Fellow subsidiary
Ansteel Electric Co., Ltd.	Fellow subsidiary
Angang Int'L Trade Yingkou Port Affairs Co., Ltd.	Fellow subsidiary
Dalian Angang International Trade Freight Forwarding Co., Ltd.	Fellow subsidiary
Yingkou Angang International Freight Forwarding Co., Ltd.	Fellow subsidiary
Anshan Kede Roll Surface Treatment Co., Ltd.	Joint venture of Angang Group
Anshan Jidong Cement Co., Ltd.	Joint venture of Angang Group
Ansteel Group Engineering Technology Co., Ltd.	Associate of Angang Group
Ansteel Mining Construction Co., Ltd.	Associate of Angang Group

XIII. Related parties and related party transactions (Continued)

4. Related parties without control relationship (Continued)

Name of Enterprise	Relation with the Parent Company
Angang Chongqing High Strength Auto Co., Ltd.	Associate of Angang Group
Lingyuan Iron&Steel Group Co., Ltd.	Fellow subsidiary
Lingyuan Iron&Steel Co., Ltd.	Fellow subsidiary
Ansteel Group Capital Holding Co., Ltd.	Fellow subsidiary
Ansteel Resources Co., Ltd.	Fellow subsidiary
Angang International Trade	Fellow subsidiary
Ansteel Lianzhong (Guangzhou) Stainless Steel Co., Ltd.	Fellow subsidiary
Pangang Group International Economic and Trade Co., Ltd.	Fellow subsidiary
Pangang Group Vanadium Titanium Resources Co., Ltd.	Fellow subsidiary
Pangang Group Jiangyou Changcheng Special Steel Co., Ltd.	Fellow subsidiary
Panzhihua Pangang Group Mining Company	Fellow subsidiary
Ansteel Group Engineering Technology Development Co., Ltd.	Fellow subsidiary
Ansteel Group Zhongyuan Industrial Development Co., Ltd.	Fellow subsidiary
Shenzhen Huirong Chengtong Commercial Factoring Co., Ltd.	Fellow subsidiary
Benxi Beiying Iron and Steel (Group) Co., Ltd.	Fellow subsidiary
Benxi Iron and Steel (Group) Co., Ltd.	Fellow subsidiary
Bengang Steel Plates Co., Ltd.	Fellow subsidiary
Ansteel Group Beijing Research Institute Co., Ltd.	Fellow subsidiary
Chengdu Xingyun Zhilian Technology Co., Ltd.	Fellow subsidiary
Ansteel Smart Technology (Liaoning) Co., Ltd.	Fellow subsidiary

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XIII. Related parties and related party transactions (Continued)

5. Related-party transactions

(1) Related-party transactions within Angang Group Co., Ltd.

① Related-party transactions on Procurement of Goods and Services

Contents	Pricing policy	**This period**	Last period
Purchase of goods	Note.1	**26,967**	30,508
Receipt of services	Note.2	**7,619**	8,926
Total	–	**34,586**	39,434

② Related-party transactions on Sales of Goods and Services

Contents	Pricing Policy	**This period**	Last period
Sale of goods	Note.3	**10,135**	10,130
provision of services	Note.4	**429**	408
Total	–	**10,564**	10,538

Note 1: Iron concentrate, pellets, scrap steel, steel billets, steel ingots, pig iron, alloys and non-ferrous metals, coke, coal, coking by-products, limestone, lime, refractory materials, spare parts, renewable resources and other items are priced based on market prices. Sinter is priced based on the price of iron concentrate plus the monthly processing cost of month (T-1). The price of steel products is determined as the price sold by Angang Steel to third parties less a handling fee of not less than RMB15 per ton, or based on the market price;

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(1) Related-party transactions within Angang Group Co., Ltd. (Continued)

② Related-party transactions on Sales of Goods and Services (Continued)

Note 2: Electricity, water and other utilities are priced in accordance with government prices. Railway, road, pipeline and water transportation and services; port agency services; agency services; equipment overhaul and services; design and engineering services; telecommunications business and services; information systems; education, training and translation services; newspapers and other publications; production support and maintenance; living support and maintenance; official vehicle services; energy conservation, environmental protection, safety, inspection, technology development and services; medical and health services; business entertainment and conference expenses; greening services; security services; land and building leasing; wastewater treatment; energy supply services (steam, etc.); entrusted management; and other professional services are priced based on market prices. Processing with supplied materials is priced based on market prices or cost plus a reasonable profit;

Note 3: Steel products, scrap steel, pig iron, steel billets, by-products from iron and steel production, coke, coal, coking by-products, ores, e-commerce products, scrap materials, waste materials, scrapped assets or idle assets are priced based on market prices;

Note 4: Measurement, inspection, product testing, transportation services, agency services, heating services, leasing services and other items are priced based on market prices. Energy supply services (including but not limited to clean circulating water, dirty circulating water, softened water, coal gas, steam, nitrogen, oxygen, argon, compressed air, hydrogen, waste hot water, liquid oxygen, liquid nitrogen, liquid argon, gas products, etc.), processing on commission, and entrusted asset management are priced based on market prices or cost plus a reasonable profit. Electricity, water and other utilities are priced in accordance with government prices;

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(1) Related-party transactions within Angang Group Co., Ltd. (Continued)

③ Related party transactions of asset acquisition

The company has no related party transactions for asset acquisition in the current period.

④ Related-party guarantee

The company applied to become the designated rebar delivery factory warehouse of Shanghai Futures Exchange (hereinafter referred to as the Shanghai Futures Exchange), and Anshan Iron and steel provided guarantee for the company's application for delivery factory warehouse qualification to the Shanghai Futures Exchange and signed the guarantee letter (hereinafter referred to as the guarantee letter). Anshan Iron and steel requires the company to provide counter guarantee to the company for the above guarantee provided by it. The amount of counter guarantee guarantee shall not exceed 300 million. The period of counter guarantee guarantee shall be from the date of signing the agreement on designated rebar futures factory warehouse of Shanghai futures exchange with the company in the previous period to the date of termination of the contract (I. E. The duration of the contract) and two years after the end of the duration of the contract.

(2) Other related party transactions

① In this period, Angang international trade provided export agents to sell 2,210,000 tons of steel products (last period: 1,970,000 tons).

② Commercial factoring services totaling 189 million yuan were provided to the company's suppliers by Shenzhen Huirong Chengtong Commercial Factoring Co., Ltd. (last period: 86 million yuan).

③ In this period, Anzi (Tianjin) Financial Leasing Co., Ltd., a subsidiary of Ansteel Group Capital Holding Co., Ltd., provided financial leasing services to the Group. The Group newly recognized lease payments of RMB26 million and paid rent of RMB2 million to such company.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(3) Borrowings, deposits and interest payments from Angang finance

Items	Annual interest rate	31 December 2024	Increment	Decrement	31 December 2025	Terms
Deposit	0.2-1.5	4,006	343,773	344,309	3,470	
Loan	2.11		615		615	

During the current period, the group's deposit interest income in Angang finance was 30 million (previous period: 37 million), and the loan interest expenditure (including discount) was 4 million (previous period: 3 million). The maximum daily deposit of the group in Anshan finance in the current period is 4,781 million (previous period: 4,828 million).

(4) The group's related party transactions with joint ventures and associates

① Statement of purchasing products

Name	This period	Last period
ANSC-TKS	751	584
Guangzhou Automobile Steel	46	34
Zhong'an Water	21	18
GAC Baoshang	8	4
AISSG	6	5
Iron oxide powder	11	12
Anji Yingkou	14	2
Total	857	659

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(4) The group's related party transactions with joint ventures and associates (Continued)

② Statement of selling products

Name	This period	Last period
ANSC-TKS	**3,175**	3,430
Guangzhou Automobile Steel	**1,444**	1,497
AISSG	**341**	168
Meizhou Motor Company	**8**	10
GAC Baoshang	**8**	8
Nansha Logistical	**5**	11
Iron oxide powder	**51**	46
Anji Yingkou	**318**	184
ANSC – Dachuan	**1**	1
Total	**5,351**	5,355

(5) During the year, the Group purchased products worth RMB405 million from China Ordins Group Co., Ltd., an associate of Anshan Iron and Steel, and sold products to it with an amount of RMB4,464 million.

(6) Remuneration of the directors, supervisors and senior management

Name	This period	Last period
Directors' fee	**0.49**	0.50
Other remuneration	**4.13**	6.12
Including: Salaries, allowances and non-cash amount of interest non-cash amount of interest	**3.18**	4.97
Performance-related bonus		
Other insurance and benefits	**0.60**	0.82
Pension plan contributions	**0.35**	0.33
Share-based payment		
Total	**4.62**	6.62

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(6) Remuneration of the directors, supervisors and senior management (Continued)

Fees paid to executive directors, non-executive directors, supervisors and senior management personnel.

	This period						
Name	Directors' fees	Salaries, allowances and non-cash	Performance-related bonus	Other insurance and benefits	Pension plan contributions	Share-based payment	Total
Executive directors:							
Wang Jun		0.57		0.08	0.04		0.69
Tian Yong(CEO)		0.10		0.02	0.02		0.14
Li Jingdong(Deputy General Manager)		0.25		0.06	0.04		0.35
Zhang Hongjun (Resigned)		0.22		0.04	0.03		0.29
Wang Baojun(Resigned)		0.02		0.01			0.03
Deng Qiang(Resigned)		0.20		0.05	0.03		0.28
Subtotal for executive directors		1.36		0.26	0.16		1.78
Employee directors:							
Zhao Zhongmin		0.11		0.03	0.03		0.17
Subtotal of employee directors		0.11		0.03	0.03		0.17
Independent non-executive director:							
Wang Wanglin	0.12						0.12
Zhu Keshi	0.12						0.12
Hu Caimei	0.12						0.12
Liu Chaojian	0.06						0.06
Wang Jianhua(Resigned)	0.07						0.07
Subtotal for Independent non-executive director	0.49						0.49

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(6) Remuneration of the directors, supervisors and senior management (Continued)

	This period						
Name	Directors' fees	Salaries, allowances and non-cash	Performance-related bonus	Other insurance and benefits	Pension plan contributions	Share-based payment	Total
Non-executive Director:							
Tan Yuhai							
Subtotal of Non executive Directors							
Supervisor:							
Cao Yuhai(Resigned)		0.18		0.04	0.02		0.24
Guo Fang(Resigned)		0.14		0.04	0.02		0.20
Liu Ming(Resigned)							
Subtotal of Supervisors		0.32		0.08	0.04		0.44
Senior Management:							
Zhang Hua		0.54		0.08	0.04		0.66
He Tianqing		0.52		0.07	0.04		0.63
Yu haolan		0.33		0.08	0.04		0.45
Subtotal for Senior management		1.39		0.23	0.12		1.74
Total	0.49	3.18		0.60	0.35		4.62

Note: On 28 July 2025, the Second Extraordinary General Meeting of the Company in 2025 approved the resolution on amendment to the Articles of Association, and the Company no longer maintains a supervisory board. The remuneration of supervisors in the above table is disclosed in accordance with the Listing Rules of the Stock Exchange of Hong Kong Limited, representing the remuneration received by the supervisors of the Ninth Supervisory Board for their other positions in the Company during their term from January to July 2025.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(6) Remuneration of the directors, supervisors and senior management (Continued)

	Last period						
Name	Directors' fees	Salaries, allowances and non-cash	Performance-related bonus	Other insurance and benefits	Pension plan contributions	Share-based payment	Total
Executive directors:							
Wang Jun		0.44		0.09	0.04		0.57
Zhang Hongjun (CEO)		0.98		0.15	0.04		1.17
Deng Qiang (Deputy General Manager)		0.19		0.05	0.03		0.27
Wang Baojun (Resigned)		0.87		0.08	0.04		0.99
Tian Yong (Resigned)		0.05		0.01	0.01		0.07
Subtotal for executive directors		**2.53**		**0.38**	**0.16**		**3.07**
Independent non-executive director:							
Wang Jianhua	0.12						0.12
Wang Wanglin	0.12						0.12
Zhu Keshi	0.12						0.12
Hu Caimei	0.08						0.08
Feng Changli (Resigned)	0.06						0.06
Subtotal for Independent non-executive director	**0.50**						**0.50**

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(6) Remuneration of the directors, supervisors and senior management (Continued)

	Last period						
Name	Directors' fees	Salaries, allowances and non-cash	Performance-related bonus	Other insurance and benefits	Pension plan contributions	Share-based payment	Total
Supervisors :							
Cao Yuhui		0.14		0.04	0.02		0.20
Guo Fang		0.33		0.08	0.04		0.45
Liu Ming							
Yang Zhengwen(Resigned)							
Subtotal for Supervisors		**0.47**		**0.12**	**0.06**		**0.65**
Senior Management:							
He Tianqing		0.48		0.08	0.03		0.59
Zhang Hua		0.38		0.08	0.04		0.50
Yu haolan		0.08		0.01	0.01		0.10
Meng Jinsong (Resigned)		1.03		0.15	0.03		1.21
Zhang Peng(Resigned)							
Subtotal for Senior management		**1.97**		**0.32**	**0.11**		**2.40**
Total	**0.50**	**4.97**		**0.82**	**0.33**		**6.62**

Note: there is no agreement for a director, supervisor and senior management to waive or agree to waive their remuneration for the current period.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

5. Related-party transactions (Continued)

(6) Remuneration of the directors, supervisors and senior management (Continued)

The top five employees with the highest salaries in the current period include 0 directors, 0 senior managers (last period: 0 Director, 0 senior managers). The salaries of the top five employees are listed below:

	This period					
Items	Salaries, allowances and non-cash	Performance-related bonus	Other insurance and benefits	Pension plan contributions	Share-based payment	Total
Remuneration	5.75		0.48	0.21		6.44
Total	5.75		0.48	0.21		6.44

	Number	
Remuneration Range	This period	Last period
HKD0 – 1,000,000.00		
HKD1,000,000.00 – 1,500,000.00	4	3
HKD1,500,000.00 – 2,000,000.00	1	2

(7) Recurring connected transactions

The connected transactions disclosed in items (1) to (3) of Note XIII.5 also constitute connected transactions or recurring connected transactions as defined in Chapter 14A of the Listing Rules of The Stock Exchange of Hong Kong Limited.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

6. Balances of related-party transactions

(1) Accounts receivable

Items	Related party	31 December 2025	31 December 2024
Accounts receivable	Angang International Trade	**961**	393
Accounts receivable	Bengang Steel Plates Co., Ltd.	**87**	95
Accounts receivable	Angang Lianzhong Stainless Steel Corporation	**45**	
Accounts receivable	Ansteel Group Engineering Technology Development Co., Ltd.	**41**	42
Accounts receivable	Benxi Beiying Iron and Steel (Group) Co., Ltd.	**15**	29
Accounts receivable	Angang Steel Wire Rope Co., Ltd.	**14**	83
Accounts receivable	Lingyuan Iron&Steel Group Co., Ltd.	**9**	1
Accounts receivable	ANSC-TKS	**8**	15
Accounts receivable	Angang Group Mining Co., Ltd.	**4**	16
Accounts receivable	Ansteel Group	**2**	3
Accounts receivable	Ansteel Group Zhongyuan Industrial Development Co., Ltd.	**3**	25
Accounts receivable	Benxi Iron and Steel (Group) Co., Ltd.	**2**	4
Accounts receivable	Ansteel Casting Steel Co., Ltd.	**1**	20
Accounts receivable	Panzhihua Pangang Group Mining Company	**1**	
Accounts receivable	Angang Chongqing High Strength Auto Co., Ltd.		**5**
Accounts receivable	Ansteel Smart Technology (Liaoning) Co., Ltd.		**2**
Accounts receivable	AISSG		**1**
Accounts receivable	Chengdu Xingyun Zhilian Technology Co., Ltd.		**1**
Accounts receivable	Guangzhou Automobile Steel		**1**
Accounts receivable	Anshan Iron and Steel Group Refractory Materials Co., Ltd.		**1**
Total		**1,193**	737

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

6. Balances of related-party transactions (Continued)

(1) Accounts receivable (Continued)

Items	Related party	31 December 2025	31 December 2024
Other receivables	Bengang Steel Plates Co., Ltd.	1	1
Other receivables	Lingyuan Iron&Steel Group Co., Ltd.		1
Other receivables	Ansteel Group Engineering Technology Development Co., Ltd.		1
Total		1	3
Prepayment	Angang International Trade	1,215	1,420
Prepayment	Angang Steel Cold Rolled Steel Sheet (Putian) Co., Ltd	152	10
Prepayment	Delin Land Port Supply Chain Services Co., Ltd.	56	113
Prepayment	ANSC-TKS	39	20
Prepayment	Angang Lianzhong Stainless Steel Corporation	38	138
Prepayment	Bengang Steel Plates Co., Ltd.	25	34
Prepayment	Benxi Beiying Iron and Steel (Group) Co., Ltd.	14	11
Prepayment	Lingyuan Iron&Steel Group Co., Ltd.	10	
Prepayment	Lingyuan Iron&Steel Co., Ltd.	7	35
Prepayment	Pangang Group International Economic & Trading Co., Ltd.	3	
Prepayment	Ansteel Engineering Technology Co., Ltd.	2	
Prepayment	Angang Group Mining Co., Ltd.		8
Prepayment	Pangang Group Jiangyou Changcheng Special Steel Co., Ltd.		2
Total		1,561	1,791

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

6. Balances of related-party transactions (Continued)

(2) Accounts payable

Items	Related party	31 December 2025	31 December 2024
Accounts payable	Delin Land Port Supply Chain Service Co., Ltd.	348	574
Accounts payable	Angang Group Mining Co., Ltd.	297	510
Accounts payable	Ansteel Group Engineering Technology Development Co., Ltd.	172	105
Accounts payable	Ansteel Group Zhongyuan Industrial Development Co., Ltd.	124	196
Accounts payable	Anshan Iron and Steel Group Refractory Materials Co., Ltd.	100	133
Accounts payable	Angang International Trade	84	367
Accounts payable	ANSC-TKS	59	52
Accounts payable	Angang Mine Fuqi Construction Company	28	49
Accounts payable	Ansteel Engineering Technology Co., Ltd.	24	31
Accounts payable	Guangzhou Automobile Steel	24	22
Accounts payable	Pangang Group International Economic & Trading Co., Ltd.	22	28
Accounts payable	Bengang Steel Plates Co., Ltd.	19	21
Accounts payable	Benxi Iron and Steel (Group) Co., Ltd.	19	
Accounts payable	Angang Lianzhong Stainless Steel Corporation	17	128
Accounts payable	Zhong'an Water	15	10
Accounts payable	Angang Int'L Trade Yingkou Port Affairs Co., Ltd.	14	39
Accounts payable	Benxi Beiying Iron and Steel (Group) Co., Ltd.	13	1
Accounts payable	Ansteel Resources Co., Ltd.	11	27
Accounts payable	Ansteel Electric Co., Ltd.	10	7
Accounts payable	Lingyuan Iron&Steel Co., Ltd.	10	
Accounts payable	Angang Steel Cold Rolled Steel Sheet (Putian) Co., Ltd	8	130
Accounts payable	Ansteel Smart Technology (Liaoning) Co., Ltd.	5	14
Accounts payable	China Ordins Group Co., Ltd.	3	44

XIII. Related parties and related party transactions (Continued)

6. Balances of related-party transactions (Continued)

(2) Accounts payable (Continued)

Items	Related party	31 December 2025	31 December 2024
Accounts payable	GAC Baoshang	2	1
Accounts payable	Yingkou Angang International Freight Forwarding Co., Ltd.	2	1
Accounts payable	Ansteel Group Real Estate Property Co., Ltd.	2	8
Accounts payable	Anshan Kede Roll Surface Treatment Co., Ltd.	2	
Accounts payable	Ansteel Group	2	57
Accounts payable	Falan Packing	1	9
Accounts payable	Angang Steel Wire Rope Co., Ltd.	1	9
Accounts payable	Ansteel Casting Steel Co., Ltd.	1	43
Accounts payable	Iron Oxide Powder Company	1	2
Accounts payable	Anshan Iron and Steel Labor Research Institute Technology Co., Ltd.	1	
Accounts payable	AISSG	1	1
Accounts payable	Anshan Iron and Steel Metallurgical Furnace Material Technology Co., Ltd.		196
Accounts payable	Angang Chongqing High Strength Auto Co., Ltd.		4
Accounts payable	Anji Yingkou		2
Accounts payable	Pangang Group Jiangyou Changcheng Special Steel Co., Ltd.		1
Accounts payable	Pangang Group Chengdu Vanadium Titanium Resources development Co., Ltd.		1
Accounts payable	Dalian Angang International Trade Freight Forwarding Co., Ltd.		1
Total		1,442	2,824

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

6. Balances of related-party transactions (Continued)

(2) Accounts payable (Continued)

Items	Related party	31 December 2025	31 December 2024
Other payables	Ansteel Group Engineering Technology Co., Ltd.	**1,734**	2,234
Other payables	Ansteel Group Engineering Technology Development Co., Ltd.	**200**	618
Other payables	Ansteel Smart Technology (Liaoning) Co., Ltd.	**105**	235
Other payables	Ansteel Group Capital Holding Co., Ltd.	**84**	
Other payables	Ansteel Electric Co., Ltd.	**27**	67
Other payables	Ansteel Group Zhongyuan Industrial Development Co., Ltd.	**13**	17
Other payables	Anshan Iron and Steel Labor Research Institute Technology Co., Ltd.	**11**	15
Other payables	Angang International Trade	**8**	17
Other payables	Ansteel Group Co., Ltd.	**6**	5
Other payables	Angang Mine Fuqi Construction Company	**6**	43
Other payables	Ansteel Group Beijing Research Institute Co., Ltd.	**6**	6
Other payables	China Ordins Group Co., Ltd.	**6**	4
Other payables	Delin Land Port Supply Chain Services Co., Ltd.	**5**	3
Other payables	Anshan Iron and Steel Metallurgical Furnace Material Technology Co., Ltd.	**3**	3
Other payables	Shanxi Wuchan International Energy Co., Ltd.	**3**	4
Other payables	Benxi Iron and Steel (Group) Co., Ltd.	**3**	8
Other payables	Angang Lianzhong Stainless Steel Corporation	**2**	
Other payables	Ansteel Group Real Estate Property Co., Ltd.	**2**	3
Other payables	Falan Packing	**1**	
Other payables	Shenzhen Huirong Chengtong Commercial Factoring Co., Ltd.		86
Other payables	Ansteel Group		4
Other payables	Ansteel Group Mining Co., Ltd.		1
Total		**2,225**	3,373

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

6. Balances of related-party transactions (Continued)

(2) Accounts payable (Continued)

Items	Related party	31 December 2025	31 December 2024
Contract liabilities	Delin Land Port Supply Chain Service Co., Ltd.	**663**	529
Contract liabilities	China Ordins Group Co., Ltd.	**522**	473
Contract liabilities	Guangzhou Automobile Steel	**150**	64
Contract liabilities	ANSC-TKS	**102**	110
Contract liabilities	Angang Steel Cold Rolled Steel Sheet(Putian) Co., Ltd	**90**	132
Contract liabilities	Ansteel Group Mining Co., Ltd.	**47**	54
Contract liabilities	Ansteel Group Zhongyuan Industrial Development Co., Ltd.	**41**	35
Contract liabilities	Anshan Iron and Steel Group Engineering Technology Development Co., Ltd.	**34**	12
Contract liabilities	Falan Packing	**25**	10
Contract liabilities	AISSG	**19**	17
Contract liabilities	Iron Oxide Powder Company	**8**	12
Contract liabilities	Ansteel Electric Co., Ltd.	**6**	9
Contract liabilities	Ansteel Casting Steel Co., Ltd.	**5**	
Contract liabilities	Anshan Iron and Steel Group Refractory Materials Co., Ltd.	**3**	4
Contract liabilities	Meizhou Motor Company	**3**	4
Contract liabilities	Anshan Jidong Cement Co., Ltd.	**2**	4
Contract liabilities	Pangang Group International Economic and Trade Co., Ltd.	**2**	2
Contract liabilities	Nansha Logistical	**1**	3
Contract liabilities	Angang Mine Fuqi Construction Company	**1**	1
Contract liabilities	Angang International Trade	**1**	
Contract liabilities	Pangang Group Jiangyou Changcheng Special Steel Co., Ltd.		1
Contract liabilities	Ansteel Engineering Technology Co., Ltd.		1
Total		**1,725**	1,477

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XIII. Related parties and related party transactions (Continued)

6. Balances of related-party transactions (Continued)

(3) Other non-current assets

Items	Related party	31 December 2025	31 December 2024
Other non-current assets	Angang International Trade	**207**	343
Other non-current assets	Angang Group Engineering Technology Co., Ltd	**2**	43
Other non-current assets	Ansteel Smart Technology (Liaoning) Co., Ltd.		4
Other non-current assets	Ansteel Group Engineering Technology Development Co., Ltd.		1
Total		**209**	391

XIV. Share-based payment

1. The general introduction of share-based payment

Awarding object	All equity instruments granted this period		All equity instruments unlocked this period		All equity instruments exercised this period exercised		All equity instruments that have expired this period	
	Quantities	Amounts	Quantities	Amounts	Quantities	Amounts	Quantities	Amounts
Directors, Senior Management, Core personnel							1,418	27
Total							1,418	27

XIV. Share-based payment (Continued)

1. The general introduction of share-based payment (Continued)

	Stock options issued to the public at the end of the year		Other equity instruments issued to outward at the end of the year	
Awarding object	The range of the vesting prices	The remainder of the contractual period	The range of the vesting prices	The remainder of the contractual period
Directors, Senior Management, Core personnel			The initial grant price of the restricted stock incentive plan in 2020 is 1.85 yuan per share, with a reserved portion of the grant price of 2.31 yuan per share	The validity period of the restricted stock incentive plan shall be from the date of completion of the registration of the grant of restricted stocks to the date of the lifting of restrictions or repurchase of all restricted stocks, and shall not exceed 60 months at most.

At the 32nd meeting of the eighth board of directors held on November 26, 2020, the company considered and approved the bill on repurchasing part of the company's A-share public shares (hereinafter referred to as "the repurchase bill"), the bill on authorizing Management to handle matters related to share repurchase Proposals on the 2020 restricted stock incentive plan (Draft) of Angang Steel Co., Ltd. and its summary (hereinafter referred to as "2020 incentive plan" or "incentive plan").

XIV. Share-based payment (Continued)

1. The general introduction of share-based payment (Continued)

According to the repurchase proposal, from December 10, 2020, the Company repurchased the company's A-share ordinary shares from the Shenzhen stock exchange through public bidding transactions as the source of restricted shares granted to incentive targets. According to the incentive plan, the grant price of the restricted shares granted for the first time is RMB1.85 per share, and the restricted shares are restricted to sale for 24 months from the date of grant. During the restricted sale period, restricted shares shall not be transferred, used to guarantee or repay debts. The 36 months after the restricted sale period is the lifting of the restricted sale period. During each lifting of the restricted sale period, if the conditions for lifting the restricted sale of restricted stocks are met, the incentive object may apply for lifting the restricted sale of restricted stocks held by it through this plan in three batches, with the proportion of lifting the restricted sale in three batches being 33%, 33% and 34% respectively. If the unlocking conditions for a certain year are not met, the corresponding restricted shares that have not been unlocked shall be repurchased by the company.

As of December 24, 2020, the company's share repurchase for the 2020 incentive plan has been completed, the actual number of repurchased shares is 52 million, and the repurchase cost is RMB166 million (excluding transaction costs), which is included in treasury shares.

The third provisional shareholders' meeting of 2020 held by the company on December 31, 2020 decided to consider and approve proposals related to the incentive plan and authorized the board of directors to handle relevant matters.

On January 8, 2021, the company held the 38th meeting of the eighth board of directors to consider and adopt the bill on adjusting the incentive plan for restricted stocks of Angang Steel Co., Ltd. in 2020 and the bill on granting restricted stocks to incentive targets for the first time. According to the adjusted incentive plan, the number of proposed incentive targets granted for the first time was reduced from 182 to 174, the number of First grants was adjusted from 48.6 million shares to 46.8 million shares, and 5.4 million shares were reserved to remain unchanged. At the same time, the board of Directors believes that the conditions for the grant of this incentive plan have been met, and determines January 8, 2021 as the first grant date, to grant 46.8 million restricted shares to 174 incentive targets for the first time at a price of RMB1.85 per share.

XIV. Share-based payment (Continued)

1. The general introduction of share-based payment (Continued)

On December 10, 2021, the company held the 54th meeting of the eighth board of directors, deliberated and adopted the bill on granting reserved restricted shares to incentive targets. In accordance with the measures for the administration of equity incentives of listed companies, the relevant provisions of the 2020 incentive plan and the authorization of the third provisional shareholders' meeting of the company in 2020, the board of Directors considers that the conditions for the grant of the incentive plan have been met, and determines December 10, 2021 as the reserved grant date to grant 5.3662 million restricted shares to 38 incentive targets at a grant price of RMB2.31 per share. On the same day, after deliberation and approval by the board of directors, the incentive plan for 2020 granted some 8 incentive targets for the first time, which did not meet the incentive conditions due to the termination or termination of labor relations with the company due to job transfer. The company intends to repurchase and write off 2.23 million A-shares of restricted shares held by the above-mentioned incentive targets at a price of RMB1.88 per share (the repurchase price is calculated according to the grant price plus the interest of fixed deposits in the same period), The total amount of this repurchase is RMB4 million. The above-mentioned repurchase restricted shares were transferred to the special securities account for repurchase opened by the company and cancelled after deliberation and approval by the shareholders' meeting on January 6, 2022. After the cancellation in 2022, the company reduced its share capital and capital reserve by RMB2 million and RMB2 million respectively, and reduced its treasury shares by RMB4 million.

On November 23, 2022, the company held the eighth meeting of the ninth board of directors, deliberated and approved the bill on the repurchase and cancellation of restricted shares that have been granted to some incentive targets of the restricted stock incentive plan in 2020 but have not yet been lifted, and agreed to repurchase and cancel 2.04 million restricted shares that have been granted but have not yet been lifted held by some incentive targets. The total amount of restricted shares repurchased and cancelled this time is 4 million. The above-mentioned repurchase restricted shares were transferred to the special securities account for repurchase opened by the company and cancelled after deliberation and approval by the shareholders' meeting on December 19, 2022. After the cancellation in 2023, the company reduced its share capital and capital reserve by RMB2 million and RMB2 million respectively, and reduced its treasury shares by RMB4 million.

XIV. Share-based payment (Continued)

1. The general introduction of share-based payment (Continued)

On March 30, 2023, the 14th meeting of the ninth board of directors was held to consider and approve the bill on the repurchase and cancellation of restricted shares that have been granted to some incentive targets of the restricted stock incentive plan in 2020 but have not yet been lifted. It is agreed that the company will repurchase and cancel 1.13 million restricted shares that have been granted but have not yet been lifted held by some incentive targets, The total amount of restricted shares repurchased and cancelled this time is 2 million. The above-mentioned repurchase restricted shares were transferred to the company's repurchase professional securities account and cancelled after deliberation by the shareholders' meeting on May 29, 2023. After the cancellation in 2023, the company reduced its share capital and capital reserve by RMB1 million and RMB1 million respectively, and reduced its treasury shares by RMB2 million.

The 14th meeting of the 9th board of directors and the 7th Meeting of the 9th board of supervisors held on March 30, 2023 considered and approved the bill on cancellation of shares in the company's special securities account for repurchase, and agreed to cancel the remaining 408623 treasury shares in the company's special securities account for repurchase.

On April 18, 2023, the 2020 restricted stock incentive plan of company granted partial first lifting of the restriction period and lifting of the restriction conditions. A total of 172 incentive objects met the lifting of the restriction conditions, and the number of restricted stocks lifted was 14.77905 million shares. After the lifting of the ban, the company reduced treasury shares by 28 million.

The 19th meeting of the 9th board of directors and the 9th Meeting of the 9th board of supervisors held on August 30, 2023 considered and approved the bill on the repurchase and cancellation of restricted shares that have been granted to some incentive targets of the restricted stock incentive plan in 2020 but have not yet been lifted, and agreed to repurchase and cancel 15.59 million restricted shares that have been granted but have not yet been lifted held by some incentive targets. The total amount of restricted shares repurchased and cancelled this time is 30 million. The above-mentioned repurchase restricted shares were transferred to the special securities account for repurchase opened by the company and cancelled after deliberation and approval by the shareholders' meeting on October 26, 2023. After the cancellation in 2023, the company reduced its share capital and capital reserve by RMB16 million and RMB14 million respectively, and reduced its treasury shares by RMB30 million.

XIV. Share-based payment (Continued)

1. The general introduction of share-based payment (Continued)

On April 18, 2024, the Company's 2020 restricted stock incentive plan reserved grant portion of the first lifting restriction period lifting restriction conditions have been achieved, meeting the lifting restriction conditions of a total of 36 incentive objects, the number of restricted stock lifted 1.64203 million shares. After the lifting of the ban, the company reduced treasury shares by 4 million.

The 27th meeting of the 9th board of directors and the 11th Meeting of the 9th board of supervisors held on March 28, 2024 considered and approved the bill on the repurchase and cancellation of restricted shares that have been granted to some incentive targets of the restricted stock incentive plan in 2020 but have not yet been lifted, and agreed to repurchase and cancel 0.45 million restricted shares that have been granted but have not yet been lifted held by some incentive targets. The total amount of restricted shares repurchased and cancelled this time is 1 million. The above-mentioned repurchase restricted shares were transferred to the special securities account for repurchase opened by the company and cancelled after deliberation and approval by the shareholders' meeting on May 29, 2024. After the cancellation in 2024, the company reduced its share capital by RMB1 million, and reduced its treasury shares by RMB1 million.

On 30 August 2024, the 30th meeting of the Ninth Board of Directors and the 13th meeting of the Ninth Supervisory Board adopted the resolution on the repurchase and cancellation of the restricted shares that had been granted but not yet vested in respect of the 2020 Restricted Share Incentive Plan for part of the incentive participants. The Company approved the repurchase and cancellation of 14.18 million unvested restricted shares held by part of the incentive participants, with a total repurchase amount of RMB27 million. The above repurchased restricted shares were transferred to the Company's special securities account for repurchase, and were cancelled upon approval at the general meeting held on 30 December 2024. Following the cancellation in 2025, the Company's share capital and capital reserve were reduced by RMB14 million and RMB13 million respectively, and treasury stock was reduced by RMB27 million.

XIV. Share-based payment (Continued)

2. Share-based payment settled by equity

Determination method of fair value of equity instruments on grant date	Based on the market value of shares granted to Japanese companies
Determination basis for the number of exercisable equity instruments	Estimated and determined according to the performance conditions of each unlocking period specified in the restricted stock plan
Reasons for the significant differences between the current estimates and the previous estimates	None
Total employee services in exchange for share-based payments	73
Accumulated amount of equity-settled share- based payment included in capital reserve	23
Total expenses recognized for equity-settled share-based payments in the current period	0

3. The expenses of share-based payments

Awarding object	Share-based payment settled by equity	
	This period	Last period
Directors, Senior Management, Core personnel	0	0
Total	0	0

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XV. Commitments and contingencies

1. Significant commitments

Items	31 December 2025	31 December 2024
Investment contracts entered but not yet performed or performed partially	**14**	126
Construction and renovation contracts entered but not yet performed or performed partially	**1,083**	2,439
Total	**1,097**	2,565

2. Contingencies

As of December 31, 2025, the group has no material contingencies to disclose.

XVI. Subsequent events

The Board of Directors of the Company recommended on March 30, 2026, not to distribute a final dividend for the fiscal year ended December 31, 2025.

XVII. Other significant introductions

As of December 31, 2025, the group had no other important matters to explain.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements

1. Accounts Receivable

(1) Classification of Accounts Receivable

Item	31 December 2025				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	85	2.59	65	76.47	20
Account receivable for which bad debt is prepared based on group combination	3,202	97.41	4	0.12	3,198
including: Risk-free group combination	2,302	70.03			2,302
Risk group combination on the basis of aging-matrix	900	27.38	4	0.44	896
Total	3,287	100.00	69	2.10	3,218

Item	31 December 2024				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Accounts receivable subject to separate assessment for bad debts provision	433	13.98	378	87.30	55
Account receivable for which bad debt is prepared based on group combination	2,665	86.02	4	0.15	2,661
including: Risk-free group combination	1,595	51.48			1,595
Risk group combination on the basis of aging-matrix	1,070	34.54	4	0.37	1,066
Total	3,098	100.00	382	12.33	2,716

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

1. Accounts Receivable (Continued)

(2) Accounts receivable subject to separate assessment for bad debts provision

Debtors	31 December 2024 Book Value	31 December 2024 Bad Debt Provision	**31 December 2025 Book Value**	**31 December 2025 Bad Debt Provision**	Percentage (%)	Reason
Tianjin Property Group Finance Co., Ltd.	366	311	**20**			
Anshan Zhongyou Tianbao Steel Pipe Co., Ltd.	67	67	**65**	**65**	100.00	The business is in trouble and it does not have the ability to pay debts
Total	433	378	**85**	**65**		

(3) Accounts Receivable classified by aging

Aging	**31 December 2025**	31 December 2024
Within 1 year	**3,193**	2,628
1 to 2 years	**4**	31
2 to 3 years		2
3 to 4 years		
4 to 5 years		
Over 5 years	**90**	437
Total	**3,287**	3,098

Note: In the above analysis, based on the invoice date.

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

1. Accounts Receivable (Continued)

(4) Bad debt provision at the end of the period

		Increase/Decrease				
Type	31 December 2024	Bad debt provision	Reverse	Resale or verification	Others	**31 December 2025**
Accounts Receivable	382	(1)	(1)		(311)	**69**

(5) Accounts receivable written off this period

Accounts receivable of RMB1 million from Anshan Zhongyou Tianbao Steel Pipe Co., Ltd. has been written off during the period.

(6) The condition of accounts receivable of the top five debtors by the balances as of 31 December 2025

The total amount of top five accounts receivable according to closing balance of debtors of the company was RMB2,100 million as of 31 December 2025, which accounted for 63.89% of the closing balance of the total accounts receivable. The summary closing balance of corresponding bad debt provision amounted to RMB0 million as of 31 December 2025.

2. Other receivables

Items	**31 December 2025**	31 December 2024
Dividends receivable		
Other receivables	**22**	53
Total	**22**	53

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

2. Other receivables (Continued)

2.1 Other receivables

(1) Classification of other receivables

Items	31 December 2025				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provisio					
Other receivables for which bad debt is prepared based on group combination	29	100.00	7	24.14	22
Including: Risk-free group combination					
Risk group combination on the basis of aging-matrix	29	100.00	7	24.14	22
Total	29	100.00	7	24.14	22

Items	31 December 2024				
	Book Value		Bad Debt Provision		Net Book Value
	Amount	Percentage (%)	Amount	Percentage (%)	
Other receivables subject to separate assessment for bad debts provisio					
Other receivables for which bad debt is prepared based on group combination	57	100.00	4	7.02	53
Including: Risk-free group combination	31	54.39			31
Risk group combination on the basis of aging-matrix	26	45.61	4	15.38	22
Total	57	100.00	4	7.02	53

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

2. Other receivables (Continued)

2.1 Other receivables (Continued)

(2) Other receivables classified by the nature

Type	31 December 2025	31 December 2024
Industrial injury loan	**5**	4
Bid security	**3**	3
Others	**21**	50
Total	**29**	57

(3) Other receivables classified by aging

Aging	31 December 2025	31 December 2024
Within 1 year	**12**	39
1 to 2 years	**1**	13
2 to 3 years	**13**	3
3 to 4 years	**2**	
4 to 5 years		1
Over 5 years	**1**	1
Total	**29**	57

(4) The recognition of bad debt provision

Bad debt provision	The first stage	The second stage	The third stage	Total
	Expected credit losses within the next 12 months	Expected credit losses for the entire duration of the period (no credit impairment)	Expected credit losses for the entire duration of the period (credit impairment has occurred)	
Balance at 1 January 2025	3		1	4
Bad debt provision	3			3
Reverse				
Resale or verification				
Write of				
Other changes				
Balance at 31 December 2025	6		1	7

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

2. Other receivables (Continued)

2.1 Other receivables (Continued)

(5) Bad debt provision at the end of the period

Type	31 December 2024	Increase/Decrease: Bad debt provision	Increase/Decrease: Reverse	Increase/Decrease: Resale or verification	31 December 2025
Other receivables	4	3			**7**

(6) Other receivables with the top five balances on December 31, 2025

The summary amount of the top five other receivables collected by the company according to the debtor on December 31, 2025 is RMB19 million, accounting for 65.52% of the total balance of other receivables on December 31, 2025, and the summary amount of the corresponding bad debt provision on December 31, 2025 is RMB6 million.

3. Long-term equity investments

(1) Classification of long-term equity investment

Items	31 December 2025 Book balance	31 December 2025 Provision for impairment	31 December 2025 Book value	31 December 2024 Book balance	31 December 2024 Provision for impairment	31 December 2024 Book value
Investments in subsidiaries	**10,721**		**10,721**	10,651		10,651
Investments in joint ventures and associates	**3,885**		**3,885**	3,695		3,695
Total	**14,606**		**14,606**	14,346		14,346

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

3. Long-term equity investments (Continued)

(2) Investments in subsidiaries

The invested entity	31 December 2024	Increment	Decrement	31 December 2025	Provision for impairmen	Provision
Angang Wuhan	237			237		
Angang Hefei	281			281		
Angang Guangzhou	90			90		
Shenyang International Trade	321			321		
Shanghai Trade	303			303		
Tianjin Trade	203			203		
Guangzhou Trade	315			315		
Angang Shenyang	181			181		
Angang Tianjin	27			27		
Angang Dalian	266			266		
Ningbo Trade	100			100		
Yantai Trade	200			200		
Angang Kobelco	357			357		
ASPD-CC	496			496		
Jinsuoju	35			35		
Angang Zhengzhou	229			229		
Chaoyang Iron and Steel	3,545			3,545		
Energy and Technology	124	60		184		
Chemical Technology	2,677			2,677		
Jiefang Angang	119			119		
Hangzhou Auto Material	60			60		
Beijing International Trade	198			198		
Delin Industrial Products	164			164		
Material Technology	20			20		
Green Gold Industry	103			103		
Anshan Youcai		10		10		
Total	10,651	70		10,721		

(3) Investments for the joint ventures and associates

Please refer to Note VI.11 (excluding Zhong'an Water, Anji Yingkou and Green Gold (Benxi)).

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

4. Operating income and operating cost

(1) Classified by production

	This period		Last period	
Items	**Income**	**Cost**	Income	Cost
Prime operating	**80,986**	**82,492**	88,080	91,740
Other operating	**385**	**343**	378	357
Total	**81,371**	**82,835**	88,458	92,097

Note: The Company is classified into an operating segment based on the type of business: production and sale of steel products.

(2) Classified by region

Items	**This period**	Last period
Foreign transaction income from the within borders	**74,148**	81,161
Foreign exchange income from outside borders	**7,223**	7,297
Total	**81,371**	88,458

(3) Classified by the time when the revenue is confirmed

Items	**This period**	Last period
Confirmed at a certain point	**81,371**	88,458
Total	**81,371**	88,458

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XVIII. Notes to parent company financial statements (Continued)

5. Investment income

Items	This period	Last period
Long-term equity investment income measured at cost method	980	138
Long-term equity investment income measured at equity method	527	540
Investment income of other investments in equity instruments	18	2
Others	(81)	(5)
Total	1,444	675

XIX. Net current assets

Items	31 December 2025	31 December 2024
Current assets	24,492	28,250
Less：Current liabilities	43,622	39,439
Net current assets/(liabilities)	(19,130)	(11,189)

XX. Total assets less current liabilities

Items	31 December 2025	31 December 2024
Total assets	96,047	100,578
Less: Current liabilities	43,622	39,439
Total assets less current liabilities	52,425	61,139

December 31, 2025 (Unless otherwise specified, the unit of amount is RMB million)

XXI. Supplementary documents

1. Non-recurring gains and losses

Items	This period	Last period
Gains and losses from disposal of non-current assets	**1**	7
Government grant recorded into profit and loss for current period (except government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, enjoyed in accordance with established standards and have a lasting impact on the company's profit and loss)	**188**	113
Changes in fair value of financial assets held for trading	**5**	(2)
Changes in the fair value of other non-current financial assets	**38**	(3)
The receivables that are separately tested for impairment and reversal of provision for impairment of contract assets	**1**	15
Net profit and loss of subsidiaries from the beginning of the current period to the date of the merger arising from business combination under the common control		3
Other non-operating income and loss not listed above	**16**	(1)
Subtotal	**249**	132
Less: Effect on taxation	**49**	26
Effect on minority interest (after tax)	**50**	26
Total	**150**	80

The Group's confirmation of non-recurring profit and loss items is carried out in accordance with the provisions of the Interpretive Announcement No. 1 of the Company Information Disclosure of Public Offering Securities–Non-recurring Gains and Losses(Revised in 2023). The Group's implementation of the Interpretive Announcement No. 1 of the Company Information Disclosure of Public Offering Securities–Non-recurring Gains and Losses (Revised in 2023) has no impact on non-recurring profit and loss in comparable accounting periods.

XXI. Supplementary documents (Continued)

2. Return on equity (ROE) and Earnings per Share (EPS)

Profit in this period	Weighted average (ROE) *(%)*	EPS (Yuan per share)	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders	(8.90)	(0.434)	(0.434)
Net profit (exclusive of non-operating profit) attributable to ordinary shareholders	(9.23)	(0.450)	(0.450)

The above data is calculated using the following formula:

(1) Weighted average return on equity

Weighted average return on equity=P0/(E0＋NP÷2＋Ei×Mi÷M0–Ej×Mj÷M0±Ek×Mk÷M0)

Among them, P0 corresponds to the net profit attributable to ordinary shareholders of the company and the net profit attributable to ordinary shareholders of the company after deducting non recurring gains and losses; NPIS the net profit attributable to ordinary shareholders of the company; E0 is the net assets at the beginning of the period attributable to ordinary shareholders of the company; EI is the new net assets attributable to ordinary shareholders of the company, such as the issuance of new shares or debt to equity swap during the reporting period; EJ is the net assets attributable to ordinary shareholders of the company reduced by repurchase or cash dividend during the reporting period; M0 is the number of months in the reporting period; Mi is the cumulative number of months from the next month of new net assets to the end of the reporting period; MJ is the cumulative number of months from the next month after the reduction of net assets to the end of the reporting period; EK is the increase or decrease in net assets attributable to ordinary shareholders of the company due to other transactions or events; MK is the cumulative number of months from the month following the increase or decrease in other net assets to the end of the reporting period.

XXI. Supplementary documents (Continued)

2. Return on equity (ROE) and Earnings per Share (EPS) (Continued)

(2) Basic earnings per share

Basic earnings per share=P0÷S，S=S0＋S1＋Si×Mi÷M0–Sj×Mj÷M0-Sk

Among them, P0 is the net profit attributable to ordinary shareholders of the company or the net profit attributable to ordinary shareholders after deducting non recurring gains and losses; S is the weighted average number of ordinary shares outstanding; S0 is the total number of shares at the beginning of the year; Si is the number of shares increased due to the conversion of provident fund into share capital or stock dividend distribution during the reporting period; Si is the number of shares increased due to the issuance of new shares or debt to equity swap during the reporting period; SJ is the number of shares reduced due to repurchase during the reporting period; SK is the number of shares withdrawn during the reporting period; M0 number of months in the reporting period; Mi is the cumulative number of months from the next month after the increase of shares to the end of the reporting period; MJ is the cumulative number of months from the next month after the reduction of shares to the end of the reporting period.

(3) Diluted earnings per share

Diluted earnings per share=P1/(S0＋S1＋Si×Mi÷M0–Sj×Mj÷M0–Sk+Weighted average number of common shares increased by warrants, share options, convertible bonds, etc.)

Among them, P1 is the net profit attributable to ordinary shareholders of the company or the net profit attributable to ordinary shareholders of the company after deducting non recurring gains and losses, and considering the impact of dilution of potential ordinary shares, it is adjusted in accordance with the accounting standards for business enterprises and relevant provisions. When calculating the diluted earnings per share, the company shall consider the impact of all diluted potential ordinary shares on the net profit attributable to ordinary shareholders of the company or the net profit attributable to ordinary shareholders of the company after deducting non recurring gains and losses and the weighted average number of shares, and shall include them in the diluted earnings per share in the order of dilution from large to small until the diluted earnings per share reaches the minimum.

Angang Steel Company Limited
March 30, 2026

Five-Year Summary

Monetary unit: RMB million

	2025	2024	2023	2022	2021
Operating revenue	**96,052**	105,101	113,502	131,072	136,674
Net profit	**(3,993)**	(7,094)	(3,223)	186	6,959
Total assets	**96,047**	100,578	97,014	96,935	97,526
Total liabilities	**51,065**	51,907	41,623	38,138	37,334
Total shareholders' equity	**44,982**	48,671	55,391	58,797	60,192

Other Relevant Corporate Information

INCORPORATION:

Organisation code	Unified social credit code 912100002426694799
Changes in the main business of the Company since the Company's Listing	None during the Reporting Period
Changes of the Controlling Shareholder of the Company	None

AUDITOR:

Name of auditor	BDO China Shu Lun Pan Certified Public Accountants LLP (Special General Partnership)
Place of business of auditor	17-20/F, Tower A, China Overseas International Centre, Building 7, 5 Anding Road, Chaoyang District, Beijing
	Guo Shunxi, Dong Qibin

BUSINESS ADDRESS OF THE COMPANY IN HONG KONG:

46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Definitions

In this annual reprot, the following expressions shall have the following meanings unless the context indicates otherwise:

"the Company", "Company", "Parent Company"	Angang Steel Company Limited* (鞍鋼股份有限公司)
"Group"	Angang Steel Company Limited* (鞍鋼股份有限公司) and its subsidiaries
"Angang Holding"	Anshan Iron & Steel Co. Ltd* (鞍山鋼鐵集團有限公司), the controlling shareholder of the Company
"Anshan Iron & Steel Group Complex"	Angang Holding and the companies in which it holds 30% or above interests (excluding the Group)
"Angang"	Angang Group Company Limited* (鞍鋼集團有限公司), the de facto controller of the Company
"Angang Group"	Angang and the companies in which it holds 30% or above interests (excluding the Group)
"Angang Financial Company"	Angang Group Financial Company Limited* (鞍鋼集團財務有限責任公司)
"Mutual Supply of Goods Framework Agreement (2025-2027)"	the Mutual Supply of Goods Framework Agreement (2025-2027) entered into between the Company and Angang, which was considered and approved at the first extraordinary general meeting of the Company in 2024 held on 30 December 2024
Mutual Supply of Services Framework Agreement (2025-2027)	the Mutual Supply of Services Framework Agreement (2025-2027) entered into between the Company and Angang, which was considered and approved at the first extraordinary general meeting of the Company in 2024 held on 30 December 2024
Financial Services Agreement (2025-2027)	the Financial Services Agreement (2025-2027) entered into between the Company and Angang Financial Company, which was considered and approved by the Company's first extraordinary general meeting in 2024 held on 30 December 2024
Industrial Financial Services Framework Agreement (2025-2027)	the Industrial Financial Services Framework Agreement (2025-2027) entered into between the Company and Angang Group Capital Holding Co., Ltd., which was considered and approved by the Company's first extraordinary general meeting in 2024 held on 30 December 2024

"Continuing Connected Transaction Framework Agreements Agreements"	the collectively, the Mutual Supply of Goods Framework Agreement (2025-2027), Mutual Supply of Services Framework Agreement (2025-2027), Financial Services Agreement (2025-2027) and Industrial Financial Services Framework Agreement (2025-2027)
"Bayuquan Branch Company"	Bayuquan Iron & Steel Branch Company* of Angang Steel Company Limited*
"Chaoyang Iron and Steel"	Angang Group Chaoyang Iron and Steel Co., Ltd.* (鞍鋼集團朝陽鋼鐵有限公司)
"Energy and Technology"	Angang Energy and Technology Co., Ltd. *(鞍鋼能源科技有限公司)
Lvxinding	Sichuan Lvxinding Carbon Industry Co., Ltd.*(四川綠鑫鼎碳業有限公司)
"Angang International Trade"	Angang Group International Economic and Trade Co., Ltd.* (鞍鋼集團國際經濟貿易有限公司)
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules of the HKEX"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Listing Rules, collectively refer to the listing rules of the Shenzhen Stock Exchange and the listing rules of The Stock Exchange of Hong Kong Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"PRC"	the People's Republic of China (for the purpose of this annual report, excluding the Hong Kong and Macau special administrative regions and Taiwan)

Documents Available for Inspection

1. Financial statements signed by the Responsible Officer, Chief Accountant and Person in-charge of the accounting firm and with seal affixed.

2. Original of the auditor's report sealed by accounting firms and signed and sealed by certified public accountants.

3. Originals of all documents and manuscripts of announcements disclosed by the

   Company during the Reporting Period.

4. Annual report of the Company disclosed on the HKEXnews website of the Hong Kong Stock Exchange.

5. The above documents are available for inspection at the secretarial office of the Board of Angang Steel Company Limited situated at Production Area of Angang Steel, Tie Xi District, Anshan City, Liaoning Province.

ANGANG STEEL COMPANY LIMITED
The Board

30 March 2026

Note: This report is prepared in both Chinese and English. The Chinese version shall prevail in case of any inconsistency between the two versions.

鞍 鋼 股 份 有 限 公 司
ANGANG STEEL COMPANY LIMITED*